RECORD REPRODUCTION COVER SHEET

The attached records are:

Releasable to the Public ☑

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Subject:

FA8770-04-R-0025

FOIA Control Number: 05-037 LK

Date Reproduced: 6 Jul 2005

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS [illegible] AIR BASE WING (AFMC)
WRIGHT-PATTERSON AIR FORCE BASE, OHIO

88 ABW/JA
5135 Pearson Road RM 129
Wright-Patterson AFB OH 45433-5

JUL 07 2005

This is in response to your [illegible]ober 2004 Free[illegible]m of Information Act (FOIA) request for FA8770-04-R-0025 con[illegible] records. The [illegible]A control number assigned to this request is 05-037LK.

The records you have reque[illegible]re partially ex[illegible]pt from disclosure. A portion of the information you requested c[illegible]ns commercial [illegible]d financial information submitted by a person or entity ou[illegible] the Federal go[illegible]nment on a privileged or confidential basis. If released, it is [illegible]ay to cause sub[illegible]ntial competitive harm to the submitter of the information or im[illegible]the government[illegible]uture ability to obtain necessary information. The autho[illegible] this exemptio[illegible]may be found in the United States Code, Title 5, Section 552(b)[illegible]

If you decide to appeal this [illegible]on, write to t[illegible]ecretary of the Air Force within 60 calendar days from the [illegible]f this letter. I[illegible]de in the appeal your reasons for reconsideration and a[illegible] copy of this [illegible]r. Address your letter as follows:

Secret[illegible] the Air Force
THRU: [illegible]G/SCCMF
3810 C[illegible]mmunications Blvd
Wright[illegible]rson AFB OH [illegible]33-5706

Sincerely

MICHAEL L. COLODY, Colonel, USAF
Chief, Judge Advocate

Attachments
1-Your Request
2-Invoice
3-Released Records

MATERIEL SYSTEMS GROUP (MSG) BPA COVER PAGE
BLANKET PURCHASE AGREEMENT
GSA FEDERAL SUPPLY SCHEDULE

In the spirit of the Federal Acquisition Streamlining Act, the Materiel Systems Group (MSG) and **Ingenium Corporation** enter into an agreement to facilitate the acquisition of Commercial Off-The-Shelf products and Consulting services from the General Service Administration (GSA) Federal Supply Schedule (FSS) Contract Number GS35F4968G

Federal Supply Schedule contract BPAs eliminate contracting and open market costs such as: searching for sources; the development of technical documents, solicitations and the evaluation of bids and offers. Teaming Arrangements are permitted with Federal Supply Schedule contractors in accordance with Federal Acquisition Regulation (FAR) Part 9.6.

The parties agree that the Terms and Conditions set forth in the above referenced GSA FSS contract(s), this BPA and those set forth in the individual order, shall govern performance on that order. In no event will the Terms and Conditions set forth in either this BPA or the individual order be construed as changing the scope of the GSA FSS Contract(s) set forth above.

List team member with their GSA numbers and any subcontractor(s). Additional team members and subcontractors may be added during the period of performance as long as required information is provided.

Signatures:

TIMOTHY H. HANNAH DATE
Contracting Officer SEP 13 2004
Materiel Systems Group

BPA Team Leader DATE
Title
Company Name: Ingenium Corporation

MATERIEL SYSTEMS GROUP (MSG) BPA COVER PAGE
BLANKET PURCHASE AGREEMENT
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List team member with their GSA numbers and any subcontractor(s). Additional team members and subcontractors may be added during the period of performance as long as required information is provided.

Signatures:

TIMOTHY H. HANNAH DATE
Contracting Officer
Materiel Systems Group

BPA Team Leader DATE
Title
Company Name : Ingenium Corporation

The Team members are as follows:

Team Member	GSA number
[redacted]	[redacted]

b4

Exemption 4
5 USC 552(b)(4)

MATERIEL SYSTEMS GROUP CENTER
BLANKET PURCHASE AGREEMENT (BPA)
ENTERPRISE INFORMATION MANAGEMENT (EIM)

b4

Pursuant to General Services Administration (GSA) Federal Supply Schedule (FSS) contract number(s) GS35F4968G [redacted] a Blanket Purchase Agreement (BPA) is hereby established between Ingenium Corporation and the Materiel Systems Group under the terms and conditions of the above stated contract(s) and the following terms and conditions incorporated in this BPA. This BPA will not be used for A&AS services.

The following GSA FSS contract items can be ordered under this BPA. All orders placed against this BPA are subject to the terms and conditions of the contract(s):

ALL PRODUCT PRICES AND LABOR CATEGORIES LISTED IN THE FEDERAL SUPPLY CONTRACT APPLY.

SPECIAL CLAUSES WILL BE INCLUDED, WHEN REQUIRED, AND INCLUDED IN THE ORDERS PLACED AGAINST THIS BPA.

Delivery

DESTINATION
As identified in each order

DELIVERY SCHEDULE/DATES
As determined by each order

The volume of purchases on a task order through this agreement will have no minimum or maximum limit.

This BPA does not obligate any funds.

If the Government determines a change is needed to the ordering/performance periods, the Government will make an announcement via email of its intent. Orders will be placed against this BPA, via FAX, e-mail, or paper. A change in the GSA contract number during the performance period shall not require the establishment of a new BPA or eliminate the Government's ability to utilize this BPA provided the Government determines the change provides for: (1) similar coverage, (2) satisfactory performance, and (3) no new limitation(s). The action to update the GSA contract number shall be considered an administrative change.

The requirements of a proper invoice are as specified in the GSA Schedule Contract. Invoices will be submitted to the address specified within the order issued against this BPA. Any further instructions or clarifications will be made part of the order.

Exemption 4
5 USC 552(b)(4)

ADMINISTRATIVE DATA
The following information must be completed:

Primary Point of Contact:
(Provide complete name, title, corporate address, electronic mail address and phone number)

Ingenium Corporation
Angie Gibson, Contract Administrator
9200 Basil Court, Suite 500
Upper Marlboro MD 20774
Phone: (301) 883-9800
E-mail: Angie.Gibson@ingeniumcorp.com

Are you a Small Business under NAIC Code 541519? YES _X_ NO ____

Are you a Small Business Administration (SBA) certified Small Disadvantaged Business (SDB)? YES _X_ NO ____

Are you a Woman-Owned Business? YES ___ NO _X_

Are you a Hub Zone Business? YES___ NO _X_

NAIC CODE: 541519
DUNS NUMBER: 86-9006668
TIN: [redacted]

b4

Are you registered in the CCR? YES _X_ NO___

(A) AUTHORITY

This BPA is entered into pursuant to the terms of the BPA holder's GSA FSS contract and FAR 8.404(b)(4).

(B) DESCRIPTION OF SERVICES

a. Under this agreement, the BPA holder shall provide products and/or software and/or services for the Enterprise Information Management (EIM) program during all phases of the acquisition cycle. These products will be provided when ordered by an authorized MSG/PK BPA Contracting Officer during the performance period of the BPA.

(C) TEAMING

The BPA holder may provide products and/or software and/or services utilizing either team members or a subcontractor. The BPA team may consist of a "Team Leader" and "Team Members". The Team

Leader and Team Members **shall have** current GSA FSS Information Technology (IT) Schedule Contracts. Team members and subcontractors are distinguished as follows:

DEFINITION OF TEAM LEADER

The term "Team Leader" refers to the company whose name appears on the front page of the BPA and is considered the BPA holder. The Team Leader will provide COTS and services and labor categories, and has overall responsibility for the team. The "Team Leader" is responsible for Team Members to include, but not limited to; ensuring all Team Members have current GSA FSS schedules; performance is acceptable; labor categories are manned by individuals whose qualifications are equal to or better than that stated in the GSA FSS; all employees have executed a Non-Disclosure Agreement prior to starting work; and National Agency Checks (NACs) are accomplished in accordance with paragraph 21 of this BPA.

DEFINITION OF TEAM MEMBER

The term "Team Members" refers to the companies that have an agreement solely with the Team Leader to provide additional COTS and services and labor categories. The Government shall not have privy of contract with the Team Members.

DEFINITION OF SUBCONTRACTOR

The BPA team may consist of a Prime contractor and Subcontractor(s). The term Prime contractor refers to the company whose name appears on the front page of the BPA and is considered the BPA holder. The prime will provide COTS and consulting capabilities and labor categories, and has overall responsibility for the work being performed under the BPA and the subcontractor. The Subcontractor refers to the companies that have an agreement solely with the Prime contractor to provide additional COTS and consulting capabilities and labor categories. The subcontractor **will not** have a current GSA FSS information Technology (IT) Schedule Contract and will be subject to the rates and/or price proposed by the Team Leader. Together the Team Leader, Team Members and Subcontractors are required to cover all aspects of the requirements. The Government shall not have privy of the contract with the subcontractors. The term Team Leader is used thoughout the BPA and will apply to the prime contractor.

(D) PRICING

1. BPA Team (Leader/Member(s)) will provide rates for work at Government facility(ies) (on-site) (as applicable/established in their GSA FSS). If additional products, services and labor categories are added, they will also be available for orders written under this BPA. Pricing will be the most current GSA Schedule price approved by the GSA FSS Contracting Officer and **will include any discounts** offered in this BPA. These discounts do not preclude the BPA Team Leader and Member(s)) from offering, or the Government from requesting, further price reductions in accordance with commercial practices, and market forces. **Team members shall use their own GSA FSS rates, or rates that are lower.**

2. The BPA Team Leader must provide proof that the GSA FSS period of coverage for both its own and each team member is current. Orders will not be awarded unless the GSA FSS period of coverage is available to do so. (If a follow-on is in process, this must be identified in the proposal.)

3. Prior to award of this BPA a best value determination of proposals received will be made in accordance with GSA FSS requirements. A single BPA will be awarded to the contractor who represents the best value to the Government.

4. The BPA holder can voluntarily reduce its software costs or hourly rates or a Team Member's software costs or hourly rates at any time by giving advanced written notice or when responding to a request for an order proposal.

5. The Team Leader shall provide advance written notice of any change to any of the Team Members GSA FSS that may impact use. Any order already issued shall not be affected by any change to BPA pricing. If for any reason an order period of performance exceeds the period of coverage of the GSA FSS, then the order effort shall continue until completed (or terminated by the Government) at the approved rates in affect at the end of the GSA FSS period of coverage.

(E) PREVAILING TERMS AND CONDITIONS

All orders placed against this BPA are subject to the terms and conditions of the GSA FSS Contract and all clauses and provisions in full text or incorporated by reference herein:

1. **Clauses Incorporated by reference are:**

FAR 52.204-02	SECURITY REQUIREMENTS (AUG 1996)
FAR 52.204-07	CENTRAL CONTRACTOR REGISTRATION (OCT 2003)
FAR 52.214-34	SUBMISSION OF OFFERS IN THE ENGLISH LANGUAGE (APR 1991)
FAR 52.214-35	SUBMISSION OF OFFERS IN U.S.CURRENCY (APR 1991)
FAR 52.232-22	LIMITATION OF FUNDS (APR 1984)
FAR 52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER--CENTRAL CONTRACTOR REGISTRATION (OCT 2003)

DoD FAR Supplement

DFAR 252.201-7000	CONTRACTING OFFICER'S REPRESENTATIVE (DEC 1991)
DFAR 252.204-7000	DISCLOSURE OF INFORMATION (DEC 1991)
DFAR 252.204-7001	COMMERCIAL AND GOVERNMENT ENTITY (CAGE) CODE REPORTING (AUG 1999)
DFAR 252.204-7003	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)

DFAR 252.204-7004	REQUIRED CENTRAL CONTRACTOR REGISTRATION (NOV 2003)
DFAR 252.204-7005	ORAL ATTESTATION OF SECURITY RESPONSIBILITIES (NOV 2001)
DFAR 252.209-7001	DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A TERRORIST COUNTRY (MAR 1998)
DFAR 252.225-7000	BUY AMERICAN ACT—BALANCE OF PAYMENTS PROGRAM CERTIFICATE (APR 2003)
DFAR 252.225-7001	BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (APR 2003)
DFAR 252.225-7002	QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (APR 2003)
DFAR 252.225-7020	TRADE AGREEMENTS CERTIFICATE (JAN 2004)
DFAR 252.225-7021	TRADE AGREEMENTS (JAN 2004)
DFAR 252.225-7035	BUY AMERICAN ACT – FREE TRADE AGREEMENTS – BALANCE OF PAYMENTS PROGRAM CERTIFICATE (JAN 2004)
DFAR 252.225-7035	BUY AMERICAN ACT – FREE TRADE AGREEMENTS – BALANCE OF PAYMENTS PROGRAM CERTIFICATE – ALTERNATE I (JAN 2004)
DFAR 252.225-7036	BUY AMERICAN ACT – FREE TRADE AGREEMENTS – BALANCE OF PAYMENTS PROGRAM (JAN 2004)
DFAR 252.225-7036	BUY AMERICAN ACT – FREE TRADE AGREEMENTS – BALANCE OF PAYMENTS PROGRAM – ALTERNATE I (JAN 2004)
DFAR 252.227-7015	TECHNICAL DATA (COMMERCIAL ITEMS) (NOV 1995)
DFAR 252.227-7036	DECLARATION OF TECHNICAL DATA CONFORMITY (JAN 1997)
DFAR 252.227-7037	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 1999)

DFAR 252.232-7007	LIMITATION OF GOVERNMENT OBLIGATION (AUG 1993) * TO BE CITED ON INDIVIDUAL ORDERS ** TO BE CITED ON INDIVIDUAL ORDERS *** TO BE CITED ON INDIVIDUAL ORDERS
DFAR 252.229-7000	INVOICES EXCLUSIVE OF TAXES OR DUTIES (JUN 1997)
DFAR 252.246-7000	MATERIAL INSPECTION AND RECEIVING REPORT (MAR 2003)
AFFARS 5352.204-9000	NOTIFICATION OF GOVERNMENT SECURITY ACTIVITY AND VISITOR GROUP SECURITY AGREEMENTS (APR 2003)
AFFARS 5352.215-9000	FACILITY CLEARANCE (MAY 1996)
AFFARS 5352.242-9000	CONTRACTOR ACCESS TO AIR FORCE INSTALLATIONS (JUN 2002)

2. Clauses in full text are:

B028 CONTRACT TYPE: FIRM FIXED PRICE (FEB 1997)

Total Price to be cited on individual task orders

Applicable to following Line Items: 0001, 0002, and 0004
Applies to Firm-Fixed-Price CLIN(s) only.

B035 CONTRACT TYPE: LABOR-HOUR (FEB 1997)

(a) The Contractor shall furnish at the hourly rates stated below, all necessary and qualified personnel, managing and directing the same to complete CLIN(s) 0003 within the performance period specified in Section F. In performance of these CLIN(s), Contractor shall be reimbursed for direct labor (exclusive of any work performed in an unpaid overtime status) at the hourly rates listed below for the identified labor categories.

CATEGORIES	HOURLY RATE
See Attachment 3, Table 2	

(b) For the purposes of the clause of this contract entitled "Payments Under Time-and-Material and Labor-Hour Contracts", the total ceiling price of the CLIN(s) specified in paragraph (a) above is to be cited on individual task orders.
Applies to Labor-Hour CLIN(s) only.

B038 CONTRACT TYPE: LABOR-HOUR PLUS-AWARD-FEE (FEB 1997)

Contractor shall be reimbursed for performance of this contract in accordance with the contract clauses and the following additional terms:

(a) The total estimated cost of performance is to be determined on individual task orders

(b) The base fee is to be determined on individual task orders

(c) The maximum award fee is to be determined on individual task orders

(d) The award fee earned for performance from inception of contract through the evaluation period ending "To Be Determined on individual task orders" has been determined to be "specified on individual task orders."

5352.209-9002 ORGANIZATIONAL CONFLICT OF INTEREST (AFMC) (AUG 2002)

(a) The following restrictions and definitions apply to prevent conflicting roles which may bias the Contractor's judgment or objectivity, or to preclude the Contractor from obtaining an unfair competitive advantage in concurrent or future acquisitions.
(1) Descriptions or definitions:
"Contractor" means the business entity receiving the award of this contract, its parents, affiliates, divisions and subsidiaries.
"Development" means all efforts towards solution of broadly-defined problems. This may encompass research, evaluating technical feasibility, proof of design and test, or engineering of programs not yet approved for acquisition or operation.
"Proprietary Information" means all information designated as proprietary in accordance with law and regulation, and held in confidence or disclosed under restriction to prevent uncontrolled distribution. Examples include limited or restricted data, trade secrets, sensitive financial information, and computer software, and may appear in cost and pricing data or involve classified information.
"System" means the system that is the subject of this contract.
"System Life" means all phases of the system's development, production, or support.
"Systems Engineering" means preparing specifications, identifying and resolving interface problems, developing test requirements, evaluating test data, and supervising design.
"Technical Direction" means developing work statements, determining parameters, directing other Contractors' operations, or resolving technical controversies.
(2) Restrictions: The Contractor shall perform systems engineering and/or technical direction, but will not have overall contractual responsibility for the system's development, integration, assembly and checkout, or production. The parties recognize that the Contractor shall occupy a highly influential and responsible position in determining the system's basic concepts and supervising their execution by other Contractors. The Contractor's judgment and recommendations must be objective, impartial, and independent. To avoid the prospect of the Contractor's judgment or recommendations being influenced by its own products or capabilities, it is agreed that

the Contractor is precluded for the life of the system from award of a DoD contract to supply the system or any of its major components, and from acting as a subcontractor or consultant to a DoD supplier for the system or any of its major components.

Alternate III (AFMC) (AUG 2002)

(b) The Contractor may gain access to proprietary information of other companies during contract performance. The Contractor agrees to enter into company-to-company agreements to (1) protect another company's information from unauthorized use or disclosure for as long as it is considered proprietary by the other company and (2) to refrain from using the information for any purpose other than that for which it was furnished. For information purposes, the Contractor shall furnish copies of these agreements to the Contracting Officer. These agreements are not intended to protect information which is available to the Government or to the Contractor from other sources and furnished voluntarily without restriction.

Alternate IV (AFMC) (AUG 2002)

(c) The Contractor agrees to accept and to complete all issued task orders, and not to contract with Government prime Contractors or first-tier subcontractors in such a way as to create an organizational conflict of interest.

Alternate V (AFMC) (AUG 2002)

(d) The Contractor agrees to accept and to complete issued delivery orders, provided that no new organizational conflicts of interest are created by the acceptance of that order. The Contracting Officer shall identify the organizational conflict of interest in each order. The Contractor shall not contract with Government prime Contractors or first-tier subcontractors in such a way as to create an organizational conflict of interest.

Alternate VI (AFMC) (AUG 2002)

(e) The above restrictions shall be included in all subcontracts, teaming arrangements, and other agreements calling for performance of work which is subject to the organizational conflict of interest restrictions identified in this clause, unless excused in writing by the Contracting Officer.

(End of clause)

5352.245-9004 BASE SUPPORT

BASE SUPPORT (AFMC) (JUL 1997)

Base support shall be provided by the Government to the Contractor* in accordance with this clause. Failure by the Contractor to comply with the requirements of this clause shall release the Government, without prejudice, from its obligation to provide base support by the date(s) required. If warranted, and if the Contractor has complied with the requirements of this clause, an equitable adjustment shall be made if the Government fails to provide base support by the date(s) required.

(a) Base support includes Government-controlled working space, material, equipment, services (including automatic data processing), or other support (excluding use of the Defense Switched

Network (DSN)) which the Government determines can be made available at, or through, any Air Force installation where this contract shall be performed. All Government property in the possession of the Contractor, provided through the base support clause, shall be used and managed in accordance with the Government Property clauses.
(b) The Air Force installations providing the support shall be listed in subparagraph (e), and the Government support to be furnished by each installation under this contract shall be listed in subparagraph (f).
(c) Unless otherwise stipulated in the contract schedule, support shall be provided on a no-charge-for-use basis and the value shall be a part of the Government's contract consideration.
(d) The Contractor agrees to immediately report (with a copy to the cognizant CAO) inadequacies, defective Government-Furnished Property (GFP), or nonavailability of support stipulated by the contract schedule, together with a recommended plan for obtaining the required support. The Government agrees to determine (within 10 workdays) the validity and extent of the involved requirement and the method by which it shall be fulfilled (e.g., purchase, rental, lease, GFP, etc.). Facilities shall not be purchased under this clause. Additionally, the Contractor (or authorized representative) shall not purchase, or otherwise furnish any base support requirement provided by the clause (or authorize others to do so), without prior written approval of the Contracting Officer regarding the price, terms, and conditions of the proposed purchase, or approval of other arrangements.
(e) Following are installations where base support will be provided

To be determined in each order

(f) The Government support to be furnished under this BPA is as follows:
For Government sites, support shall be in accordance with the written authorization contained in individual orders. When directed to "collocate" contractor personnel at Government sites, sufficient space, furniture, telephones, and computers will be provided to perform the task. Additional base support will be determined on an "as necessary" basis by each order. Because of the nature and location(s) of the work performed, the value of such equipment is undeterminable. The Contractor shall not incur any cost resulting from nonsupport prior to Contracting Officer concurrence in accordance with this clause.

(End of clause)

Alternate I (AFMC) (JUL 1997).

(g) When this contract is a cost, cost-reimbursement, time-and-materials, or labor hour contract, the Contractor agrees that in the performance of this contract or any major subcontract no direct or indirect costs for property will be incurred if the Government determines that property is available at, or through any Air Force installation where this contract shall be performed. Only the prior written approval of the Contracting Officer can relieve the Contractor from this restriction.

*Contractor for purposes of this clause means Team Leader, Team Members or Subcontractors.

(End of Clause)

5352.227-9000 EXPORT-CONTROLLED DATA RESTRICTIONS (AFMC) (JUL 1997)

(a) For the purpose of this clause,

Foreign person is any person who is not a citizen or national of the U.S. or lawfully admitted to the U.S. for permanent residence under the Immigration and Nationality Act, and includes foreign corporations, international organizations, and foreign Governments;
Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign Government, a foreign-owned or influenced firm, corporation or person;
Foreign sources are those sources (vendors, subcontractors, and suppliers) owned and controlled by a foreign person; and

(b) The Contractor shall place a clause in subcontracts containing appropriate export control restrictions, set forth in this clause.
(c) Nothing in this clause waives any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export controlled data and information.
(b) Equipment and technical data generated or delivered under this contract are controlled by the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128. An export license is required before assigning any foreign source to perform work under this contract or before granting access to foreign persons to any equipment and technical data generated or delivered during performance (see 22 CFR Section 125). The Contractor shall notify the Contracting Officer and obtain written approval of the Contracting Officer prior to assigning or granting access to any work, equipment, or technical data generated or delivered under this contract to foreign persons or their representatives. The notification shall include the name and country of origin of the foreign person or representative, the specific work, equipment, or data to which the person will have access, and whether the foreign person is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

(End of clause)

(F) SPECIFIC TERMS AND CONDITIONS

1. BPA TERMS AND CONDITIONS FLOWDOWN

The BPA holder (identified on page 2 of the BPA) shall execute binding agreements with its team members, which, as a minimum, establish that;

a. GSA FSS rates of the team member(s) will be applicable to all efforts ordered under this BPA, and

b. BPA Terms and Conditions specified are applicable to all efforts ordered under this BPA.

c. If additional clauses are needed, they will be included in the individual orders.

d. The following Tables shall be attached to the BPA:

Perpetual Software Licenses – Aggregate Order Discounts (Attachment 3, Table 1)
Software License Maintenance – Maintenance Discounts (Attachment 3, Table 1)
IT Professional Services – Discounted Labor Rates (Attachment 3, Table 2)
Training Services – GSA FSS Price (Attachment 3, Table 3)

2. LABOR

LABOR HOUR ORDERS

(a) When a task order proposal is requested and the Team Leader and one or more Team Members have the required labor category (or categories) to accomplish the work, the order proposal must identify the source (Team Leader or Team Member) that is providing the labor category (or categories) and propose that source's labor rate.

(b) The BPA holder shall furnish the necessary qualified personnel, materials, facilities and management resources to complete the tasks set forth in the order within the terms specified and at the price(s) stated.

(c) The BPA holder shall use only the labor categories and hours specified for the category in each order.

(d) Table 3 and 4 for the labor categories and rates are attached to this BPA. The BPA holder must complete these tables, along with Worksheet 5, to be as inclusive as possible of the labor categories that might be needed for performance of all tasks issued under this BPA. It is understood that these tables are the BPA holder's best estimate at time of its original proposal. If additional labor categories, not identified in the attached Table 3 and table 4 are required, they will be reviewed pursuant to the BPA holder's (or its team members) GSA schedule and added to the Tables of the appropriate task.
(e) In the event a BPA holder expends fewer hours than set forth in an individual order, the total order may be adjusted to reflect the actual number of hours expended and the final order price. In no case will the final price exceed the amount obligated on the order.

(f) Notwithstanding any other provision, the BPA holder shall maintain sufficient accounting records for verification of the hours and/or categories of labor incurred in the performance of each order. After completion of the work called for in the orders issued under this BPA, the Contracting Officer or the duly authorized representative shall have the right to examine the Team Leader's records for the purpose of verifying the number and category of labor hours (including the Team Member's) utilized in the performance of the work thereunder.

(g) A Surveillance plan will be established for any task order written under this section.

(h) No overtime is allowable unless specifically authorized by the Contracting Officer.

3. COLLOCATION

The BPA Holder may be required to collocate a portion of its workforce with a Government office. The Government will make available base support, in accordance with the "Base Support" clause, for any such collocation.

4. FIXED PRICE ORDERS

The BPA holder shall furnish the necessary materials to complete the tasks set forth in the order within the performance period specified.

5. CONSENT OF BPA TEAM MEMBERS

The team determined to represent the best value to the Government will be awarded a BPA. Team Members shall be considered as approved in accordance with FAR 52.244-02, "Subcontracts" (Aug 1998) Alt 1 (Aug 1998). Any subsequent additions, deletions, or substitutions must be approved by the Contracting Officer in accordance with FAR 52.244-2, (Alt 1).

6. FEDERAL HOLIDAYS

Unless specifically authorized in writing by the Contracting Officer, no services will be provided and no charges will be incurred and/or billed, when work is performed on a Government installation, to any order on this contract on any of the Federal Holidays listed below.

New Years Day	Labor Day
Martin Luther King Day	Columbus Day
Presidents' Day	Veterans' Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

7. EMPLOYEE CONFLICT OF INTEREST

GSA FSS allows agencies using the GSA FSS to place limits on Contractors to avoid prejudicing the best interest of the Government. The following paragraph is added to the BPA pursuant to this authority.

BPA holders and their team members shall ensure that their employees performing on any order requiring support to a source selection or other competitive acquisition participate in Government briefings on personal conflict of interest and understand they will need to make disclosures of their personal interests to the source selection contracting officer. In the event the source selection contracting officer determines that an employee is precluded from participation because of personal interests, the employee shall be removed from supporting the source selection. Attached is a sample of the Nondisclosure form that will be used in orders placed under this BPA.

8. KEY PERSONNEL

The personnel listed below are considered essential to this effort. Therefore, no later than thirty (30) days prior to initiating any removal, substitution or change in the amount of effort of any individual listed below, the Contractor shall submit to the Contracting Officer written justification for the proposed action in sufficient detail to permit evaluation of the impact on this contract. No changes in key personnel shall be made without first obtaining the written consent of the Contracting Officer.

Name	Position	Hours
*	*	*

* To be determined in each order.

9. EMPLOYEE QUALIFICATION

The Contractor shall assign employees to this contract who possess the qualifications required by the contract. To substantiate the employees' qualifications, the Contractor shall submit a resume to the Contracting Officer for each employee performing services during the term of the contract. The resumes shall be delivered to the Contracting Officer no later than within the first week that the employee performs services under the contract or prior to the first billing for services performed by the employee, whichever date is the earlier.

(End of clause)

10. CONTRACTOR IDENTIFICATION

(a) Contractor personnel and their subcontractors must identify themselves as Contractors or subcontractors during meetings, telephone conversations, in electronic messages, or correspondence related to the contract.
(b) Contractor-occupied facilities (on AFMC or other Government installations) such as offices, separate rooms, or cubicles must be clearly identified with Contractor supplied signs, name plates or other identification, showing that these are areas for Contractor or subcontractor personnel.

(End of clause)

11. EVALUATION OF BPA HOLDERS PERFORMANCE

Performance evaluations by order will be accomplished every six months. A Contractor Performance Assessment Report (CPAR) will also be accomplished annually, as required.

a. An assessment of the Team Leader and Team Member performance on current orders issued under this BPA will be an important factor in continuing to issue orders under this BPA. A performance report for effort on all orders will be completed by the Government's technical

representative every six months and at order completion. If the period of performance for the order is six months or less then a performance report will be accomplished only at order completion.

b. CPARs will be completed annually in accordance with the most current version of AFMC 64-107 (currently it is dated 14January2000). The CPARS will be completed and become part of the official file of this BPA and the Government's official source selection file, which is used for review for future contract or BPA awards. The initial CPAR will be completed on the anniversary of the BPA award date.

12. BPA HOLDER IDENTIFICATION

All BPA holder personnel will be required to wear company identification badges so as to distinguish themselves from Air Force (organic) employees. When conversing with Government personnel during business meetings and over the telephone, BPA holder personnel shall identify themselves as such to avoid situations arising where sensitive topics might be better discussed solely between Government employees. Where practicable, BPA holders occupying collocated space with their Government program customer should identify their workspace with their name and company affiliation.

13. INVOICES

The requirements of a proper invoice are as specified in the FSS Contract. Invoices will be submitted to the payment address specified on each individual order issued under this BPA

14. TERM OF BPA

(a) This BPA ordering period expires sixty (60) months beginning when the BPA is issued. The BPA holder must ensure that its GSA FSS contract is valid and in force throughout the BPA. This BPA is not a contract. If the BPA holder fails to perform in a satisfactory manner, the MSG/PK Contracting Officer may cancel this BPA with thirty (30) days written notice to the BPA holder.

(b) Orders may be placed under this effort as Labor Hour, Labor Hour-Award Fee or Fixed Price.

15. VOLUME

The Government is under no obligation to the BPA holder to purchase any specified quantity of services.

16. OBLIGATION OF FUNDS

This BPA does not obligate any funds nor authorize any work. The Government is obligated only to the extent of funds obligated on authorized orders issued under this BPA by the MSG/PK Contracting Officer.

17. AUTHORIZED USERS

MSG/PK Contracting Officers are the only users authorized to place orders under this BPA.

18. ORDERS

(a) Order Management Requirements: Delivery of services shall be implemented only if directed by an order. The BPA holder shall respond in no more than five (5) working days from the issuance of the order, identify the Task Leader and arrange for a meeting between the BPA holder Task Leader and the ordering office's Functional Area Evaluator (FAE) to obtain the necessary detailed information to proceed with the task.

(b) Order Accounting: Under no circumstances will any invoice exceed the period of performance or obligated dollar amount or ceiling price for any funded order. All invoices submitted for payment shall clearly identify:

(1) Government order number
(2) Period of performance
(3) Amount due by CLIN

(c) Closeout Procedures: To facilitate closeout of individual orders placed under this BPA, within sixty (60) days of completion of any individual order, the BPA holder shall present a final invoice to the Contracting Officer Representative (COR) that contains a complete accounting of hours expended by category, the prices associated with those hours, any cost reimbursable expenses, and a proposed final price.

19. ORDERING AMOUNT

The total ordering ceiling on this BPA is $29,233,062.40 (at time of BPA issuance). There is no minimum ordering amount for this BPA.

20. PERFORMANCE

The following terms and conditions are applicable:

(a) BPA holder shall commence services upon receipt of a valid order, unless otherwise specified in the order.

(b) The BPA holder shall be familiar with DoD, Air Force, and subordinate command acquisition regulations, directives and instructions.

(c) The Government will not directly supervise BPA holder employees. Day-to-day supervision of BPA holder personnel should be conducted by the BPA holder Task Leader wherever the BPA holder personnel are located. All direction to the BPA holder shall be through the MSG/PK Procuring Contracting Officer (PCO). Technical "tasking" assignments for the BPA holder will be transmitted by the ordering office's program manager to the BPA holder's Task Leader.

(d) The "ordering period" will run from BPA issuance to sixty (60) months after BPA issuance. A task order may be issued for performance to go six (6) months after the end of the BPA period providing the task order was placed within the sixty (60) month ordering period.

(e) Cancellation: This BPA may be canceled if the BPA holder fails to perform in accordance with the terms and conditions of the GSA contract, this BPA, any order established under this BPA, or if deemed in the best interests of the Government. The BPA holder must strictly comply with all terms and conditions or the MSG/PK Contracting Officer may determine that performance by the BPA holder has been unsatisfactory and cancel this BPA.

The Associate Contractor Agreement (ACA) clause identified below is based upon an ACA being required with Titan for GCSS-AF, but may apply in other circumstances as well. Copies of ACAs are to be provided to MSG/PK.

21. ASSOCIATE CONTRACTOR AGREEMENTS

(a) The Contractor shall enter into Associate Contractor Agreements (ACA) for any portion of the contract requiring joint participation in the accomplishment of the Government's requirement. The agreements shall include the basis for sharing information, data, technical knowledge, expertise, and/or resources essential to the integration of the Enterprise Information Management System (EIM) with GCSS AF which shall ensure the greatest degree of cooperation for the development of the program to meet the terms of the contract. Associate contractors are listed in (h) below.

(b) ACAs shall include the following general information:

(1) Identify the associate contractors and their relationships.
(2) Identify the program involved and the relevant Government contracts of the associate contractors.
(3) Describe the associate contractor interfaces by general subject matter.
(4) Specify the categories of information to be exchanged or support to be provided.
(5) Include the expiration date (or event) of the ACA.
(6) Identify potential conflicts between relevant Government contracts and the ACA; include agreements on protection of proprietary data and restrictions on employees.

(b) A copy of such agreement shall be provided to the Contracting Officer for review before execution of the document by the cooperating contractors.
(d) Nothing in the foregoing shall affect compliance with the requirements of the clause at 5352.209-9002, Organizational Conflict of Interest.
(e) The Contractor is not relieved of any contract requirements or entitled to any adjustments to the contract terms because of a failure to resolve a disagreement with an associate contractor.
(f) Liability for the improper disclosure of any proprietary data contained in or referenced by any agreement shall rest with the parties to the agreement, and not the Government.

(g) All costs associated with the agreements are included in the negotiated cost of this contract. Agreements may be amended as required by the Government during the performance of this contract.
(h) The following contractors are associate contractors with whom agreements are required:

(c)

CONTRACTOR: [redacted]
ADDRESS

PROGRAM	PMO Support
CONTRACT	FA8770-02-F-8008
Point of Contact	Robert Lamarre
Telephone	(937) 258-0217

22. NATIONAL AGENCY CHECK

DOD military, civilian, consultants, and contractor (Team Leader and Team Member) personnel using unclassified automated information systems, including e-mail, must have at a minimum, a completed favorable NAC/Entrance National Agency Check in accordance with DOD 5200.2-R Personnel Security Program, January 1987. The contractor is required to complete the application and apply for a NAC, for any employee not currently having a NAC, upon receipt of a task order where the employee will have access to automated information systems. The contractor shall diligently pursue obtaining NACs for its employees. No contractor personnel will be permitted access to any Government computer system, including E-mail, until the NAC forms have been completed and furnished to the appropriate Government Security Officer.

23. MODIFICATIONS

The BPA holder will submit proposed modifications to the Contracting Officer in accordance with existing GSA contract schedule policy.

24. SEGREGATION OF COSTS

The "Payments under Time-and-Materials and Labor-Hour Contracts" clause provides for reimbursement to the Team Leader of costs incurred for certain items and services purchased directly for an order under this BPA, subject to certain limitations set forth in the clause. Such items may include the lease/purchase of equipment, travel expenses for Government-directed travel, consumable materials, tuition and registration fees for specialized training, and other services or items acquired for the Government's account under the Government Property clause. The items and services which the BPA holder is authorized to purchase on a cost-reimbursable basis shall be limited to only those specific items and services described in the order(s) issued to the BPA holder as authorized for purchase by the MSG/PK Contracting Officer.

Exemption 4
5 USC 552(b)(4)

25. OPTION TO EXTEND SERVICES

The Government may require continued performance of any services within the limits and at the rates specified in the contract. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed six (6) months. The Contracting Officer may exercise the option by written notice to the Contractor within seven (7) days prior to contract completion date.

26. CLIN STRUCTURE

It is assumed that Software will be on a Firm Fixed Price basis and the Consulting Services will be on a Labor Hour or Labor Hour-Award Fee basis. Below is sample CLIN structure of the types of CLINs that may be in a task order. Each task order will establish the appropriate CLINs. Each task order will establish the appropriate quantities for each CLIN.

CLIN		
CLIN 0001	Software Licenses Firm Fixed Price Reference Attachment 3, Table 1	[redacted]
CLIN 0002	Software License Maintenance Firm Fixed Price Reference Attachment 3, Table 1	[redacted]
CLIN 0003	IT Professional Services – Labor Hour - GCSS-AF Integration - Pilot Reference Attachment 3, Table 2	[redacted]
CLIN 0004	Training Services Firm Fixed Price Reference Attachment 3, Table 3	[redacted]
CLIN 0005	Travel - Cost Reimbursable Travel shall be in accordance with Joint Travel Regulation (JTR) and approved prior to travel by the Contracting Officer's Representative (COR).	[redacted]
CLIN 0006	Other Direct Costs (ODCs) – Cost Reimbursable ODCs must be allowable in the GSA Federal Supply Schedule. ODCs shall be approved by the Contracting Officer prior to purchase by the contractor. In addition, at the time of requesting approval, contractor shall provide quotes from three vendors or proof of cost reasonableness to the Contracting Officer.	[redacted]

Exemption 4
5 USC 552(b)(4)

CLIN 0007	Not Separately Priced (NSP) -Data	[redacted]
CLIN 0008	Award Fee	[redacted]
Total		

The BPA ceiling amount is shown as one overall dollar value. The combined value of the CLINs cannot exceed the BPA ceiling without a contracting officer authorized modification to this BPA.

Section J
List of Attachments

Document	Pages	Date	Title
Attachment 1	17	02 Sep 2004	Statement of Work (SOW)
Attachment 2	54	undated	[redacted]
Attachment 3	3	02 Sep 2004	Tabls 1-3

Exemption 4
5 USC 552(b)(4)

NONDISCLOSURE AGREEMENT FOR CONTRACTOR EMPLOYEES

I _____ (print or type name), an employee of _____ (insert name of company), agree not to disclose any Government information, including, but not limited to, any sensitive, proprietary, source selection, or classified information or data to any person or entity who has not signed a nondisclosure agreement. I further agree to handle all information and data according to Government regulations.

I understand that information/data I may be aware of, or possess, as a result of my assignment under this contract may be considered sensitive or proprietary by _____ (insert name of company). The contractor's responsibility for proper use and protection from unauthorized disclosure of sensitive, proprietary and source selection information is described in Federal Acquisition Regulation (FAR) section 3.104-5(b). Pursuant to FAR 3.104-5, I agree not to appropriate or disclose such information for my own use, or the use of my employer, or to release or discuss it with third parties unless specifically authorized in writing to do so, as provided above. I agree to safeguard and protect sensitive, proprietary, classified, or source selection information. I further agrees to report any improper release or disclosure of such information.

This agreement shall continue for a term of sever. (7) years from the date upon which I last have access to the information therefrom. Upon expiration of this agreement, I have a continuing obligation not to disclose sensitive, proprietary, or source selection information to any person or legal entity unless that person or legal entity is authorized by the head of the agency or the contracting agency or the contracting officer to receive such information. I understand violations of this agreement are subject to administrative, civil and criminal sanctions.

(Signature of Contractor Employee) Date

(Contractor Name) (Employee Telephone No.)

(System/Project)

FA8770-04-A-0025

Attachment 1

Statement of Work

for

Enterprise Information Management

1.0 Introduction/Background/Approach

This Statement of Work (SOW) describes both program and technical objectives to support the Enterprise Information Management (EIM) acquisition to procure licenses for Commercial Off-The-Shelf (COTS) software, services for integration of the software with the Global Combat Support System-Air Force (GCSS-AF) Integration Framework (IF), as well as services used to deploy, employ, and sustain the software at Air Force pilot locations. The Ingenium Team (Ingenium Corporation (Ingenium) and IBM Corporation (IBM)), will provide Air Force (AF)-wide capability for content, records, document, workflow, and knowledge management, including basic asynchronous collaboration capabilities, and integration with the existing AF PureEdge-based, Information Management Tools (IMTs).

1.1 Background:

The purpose of the EIM program is to identify and establish a contract vehicle to acquire and deploy an integrated suite of COTS products and services that enhances AF business operations by providing decision-makers and all AF personnel with on-demand access to authoritative, relevant and sufficient information to perform their duties efficiently and effectively.

1.2 Approach.

The Ingenium Team will accomplish the goals and objectives of the EIM program as stated within this document through IBM providing a complete product suite and Ingenium providing the program management and associated services to assure efficient sourcing, testing, and implementation of the EIM product suite. Ingenium shall establish

1.3 Acquisition Information

Project Title:	Enterprise Information Management (EIM)
Ordering Period:	Sixty (60) months following issuance of the Blanket Purchase Agreement (BPA)
Acquisition Organization:	Business Information System Program Office MSG/MMD – Building 266, Room S226 4225 Logistics Avenue Wright Patterson AFB, OH 45433-5770
Program Manager:	Mr. Charles Crawford, (937) 904-1013 charles.crawford@wpafb.af.mil
Contracting Officer:	Mr. Timothy Hannah, (937) 904-0471 timothy.hannah@wpafb.af.mil

2.0 Program Objectives and Tasks

2.1 Develop an EIM architectural vision, based on the DoD Architecture Framework that captures the integration of the proposed EIM product suite with the GCSS-AF IF evolving EIM from an initial implementation with a small user population at few locations to an Air Force-wide user base across CONUS and OCONUS.

2.2 Establish a BPA enabling Air Force organizations to purchase:

2.2.1 Licenses for a COTS EIM integrated suite of products.

2.2.2 Services for the integration of the selected EIM product suite with the Global Combat Support System (GCSS–AF) Integration Framework (IF) Non–secure Internet Protocol Router Network (NIPRNET) and Secure Internet Protocol Router Network (SIPRNET) and the PureEdge–based IMTs.

2.2.3 Services to support pilot(s) deployment, employment, and sustainment of the selected EIM product suite. Initial sites currently contemplated are Headquarters Air Force (HAF) and Pacific Air Forces (PACAF). These services include, but are not limited to, systems engineering, security accreditation, business process reengineering, change management, configuration management, product suite license tracking, help desk, and training necessary to assist Air Force pilot users in transitioning to the new EIM capabilities.

2.3 Provide ready access to information and enhance the management/flow of this information essential to support the Air Force mission.

2.4 Comply with public law and DoD mandates.

2.5 Provide the capability to reengineer and standardize enterprise–wide standard processes and/or processes common to combat, combat support, and businesses activities for pilot implementations.

2.6 Enable the seamless sharing of information through the Air Force enterprise utilizing the following capabilities:

2.6.1 Workflow - The IT technology using electronic systems to manage and monitor business processes. It allows the flow of work between individuals and/or departments to be defined and tracked. Although documents are often used as a medium for transporting information in a Workflow system, it is mostly associated with document management where the workflow system is used to track the process of creating, reviewing, and distributing Documents.

2.6.2 Document Management - The process of controlling data. Components include check-in / check-out of the data vault, release level maintenance, access security and promotion authorization. Includes the process of managing documents through their lifecycle, from inception through creation, review, storage and dissemination all the way to their destruction.

2.6.3 Records Management - The planning, controlling, directing, organizing, training, promoting, and other managerial activities involved with respect to records creation, records maintenance and use, and records disposition in order to achieve adequate and

proper documentation of the policies and transactions of the Federal Government and effective and economical management of agency operations.

2.6.4 Content Management - The processes and workflows involved in organizing, categorizing, and structuring information resources so that they can be stored, published, and reused in multiple ways. A content management system (CMS) is used to collect, manage, and publish content, storing the content either as components or whole documents, while maintaining the links between components. It may also provide for content revision control.

2.6.5 Interoperability with Air Force Information Management Tools (IMT) – The processes and interfaces used to collaborate with a variety of IMT.

2.6.6 Collaboration - The use of Web-based software for the purpose of sharing information between businesses or organizations. Ex: Design collaboration allows engineers at different companies to share plans and data in real time.

2.6.7 Knowledge Management - Knowledge management focuses on the issues related to managing the knowledge assets of an organization, including experts, lessons learned documents, artifact templates, best practices, and process improvement.

2.7 Integrate the EIM product suite with the GCSS–AF IF SIPRNET instance (when the GCSS–AF SIPRNET capability is available).

2.8 Identify the risks involved in the acquisition, schedule, implementation, integration, employment, and sustainment of the EIM product suite.

2.9 Document lessons learned and best practices.

2.10 Leverage capabilities and services currently available through the GCSS–AF IF and Air Force investment in similar EIM technologies.

2.11 Integrate EIM product suite training into formal Air Force training curriculum(s) (School House and Base–level CBT; Skill levels 3, 5, 7 and 9).

3.0 Technical Objectives and Tasks

3.1 Field a net–centric, integrated suite of products that meet the requirements as specified in EIM Capability Development Document (CDD) and the Content Management System (CMS) Description. The functionality of each product shall be robust and meet the diverse requirements of the AF. Further, this functionality shall be tightly integrated, leveraging the same interface and single repository. The integrated suite of products shall integrate with the Air Force's PureEdge–based, Information Management Tools (IMTs).

3.2 Provide technical assistance and product documentation to support the integration of the EIM product suite with the GCSS–AF IF.

3.3 Identify any unique requirements needed to support integration of the selected EIM product suite to the NIPRNET and/or SIPRNET.

3.4 Provide a records management capability compliant with DoD 5015.2-STD, Jun 02, Chapters 2 and 4.

3.4.1 The Records Management Application (RMA) supporting this capability shall receive a Joint Interoperability Test Command (JITC) Standards Conformance Certification for DoD 5015.2-STD, Chapters 2 and 4 within 12 months after BPA issuance.

3.5 Provide assurance that a software maintenance plan and methodology exist to support all components of the proposed EIM product suite.

3.6 Provide assurance that any freeware or shareware components are and will be supported by either the developer or the offeror throughout the life of the proposed EIM product suite.

3.7 Provide technical assistance and product documentation to support the updating of GCSS–AF IF security documentation to include, but not limited to, the Information Support Plan (ISP), formerly the C4ISP, security certification and accreditation, and other documentation such as systems architectures.

3.8 Field the EIM product suite in Air Force pilot environments. Pilots will be supported through proven/tested methodologies to:

3.8.1 Accelerate delivery of EIM capabilities

3.8.2 Reengineer customer processes

3.8.3 Implement the reengineered customer processes

3.8.4 Train the administrators and users

3.9 Develop and sustain training materials for the EIM product suite.

4.0 Program/Project Management

The Ingenium Team will utilize a corporate team of accomplished senior-level managers and technical and administrative personnel from across the Ingenium staff, as well as the associated team companies. These established and capable staff elements include Finance and Accounting, Contracts, Corporate Development, Human Resources, and many other Ingenium programs. The EIM Program Manager will maintain close contact with these senior managers and share information on the upcoming EIM Pilot Program, contract performance, and other issues to ensure smooth and efficient contract and task execution.

There will be frequent—often daily—communications among Ingenium Team members. These communications will be via a variety of media: meetings, email, telephone, intranet and Internet, formal (paperwork i.e., invoices, bi-weekly and monthly activity reports, etc.)—all the traditional means of communication and corporate interaction now common in today's business environment. Monthly status reviews include the data collected and focus on cost, schedule, and performance with both the customer and the company president.

4.1 Management of Customer Expectations

We use the following methods to meet our customers' expectations:

- *First*, our managers are visible in the workplace as they direct employees and interface with customers. They use this time to get to know infrastructure systems better and identify potential problems early.
- *Second*, we track our customer relationships with recorded metrics to establish trend analysis and help determine risk and mitigation actions early. We use survey results to track improvement of application and courseware, customer support, and task performance.
- *Third*, our senior management maintains open and frequent communication with AF senior management to ensure our project execution meets or exceeds AF objectives. Our CEO commits to hands on approach assuring EIM maintains a high priority and Mr. Petty will readily commit additional resources as necessary ensuring total success.

By managing customer expectations, we discover issues early and resolve them quickly. From experience, there are three ways to ensure we meet AF requirements:

- *Exceptional people* – We select the most talented and versatile personnel possible and provide incentives for additional certifications and knowledge. We select personnel based on their ability to work well with others.
- *Proven processes* – We continually train our personnel in processes and technical disciplines. We team with New Horizons—the nation's leading technical trainer—to provide training quickly and efficiently.
- *Management focus and attention* – We treat informal complaints formally. The program manager investigates all complaints, implements corrective action, and reviews results with the appropriate personnel.

4.2 Risk Mitigation

The Ingenium Team is a process-centric group that focuses on a systematic management philosophy to minimize risk by early identification thru frequent risk management sessions and thorough risk mitigation exercises. To provide exceptional quality to all our customers, we continually seek to improve our methodologies and tools through knowledge sharing, cross-functional planning for application of this knowledge, and commitment to continual process improvement. We pursue this quality standard through the following practices:

- Continually improving processes to exceed current performance measures and achieve the highest availability that equipment can reasonably sustain.
- Inserting tools into the work environment to improve surveillance or make performance monitoring simple.
- Creating a work atmosphere focusing on process improvement and the elimination of unnecessary errors.
- Designating the EIM Program Manager as the chief quality agent and making him the proactive agent for analysis and improvement across the team.

To identify risks during EIM program integration, deployment and sustainment our team will

Approach to Risk Management. These will include, but not necessarily be limited to, the following:

- Brainstorming with EIM program and project managers, especially senior and executive managers from all team members.
- Discussions with EIM product suite subject matter experts, project managers, and senior staff.
- Interviews with project stakeholders and end users.
- A review of risks against the SOW or other sources, as necessary.

In addition to reviewing risks against the SOO, the Capability Development Document (CDD), and the CMS, the Ingenium Team takes great care during its risk analysis to properly classify identified risks (i.e., contract, customer, user, environment, staffing, probability of occurrence, impact of the risk, and assessment of probabilities, etc.)

Continuing program reviews expose problems and analyze causal factors, providing models that anticipate their potential impacts and severity.

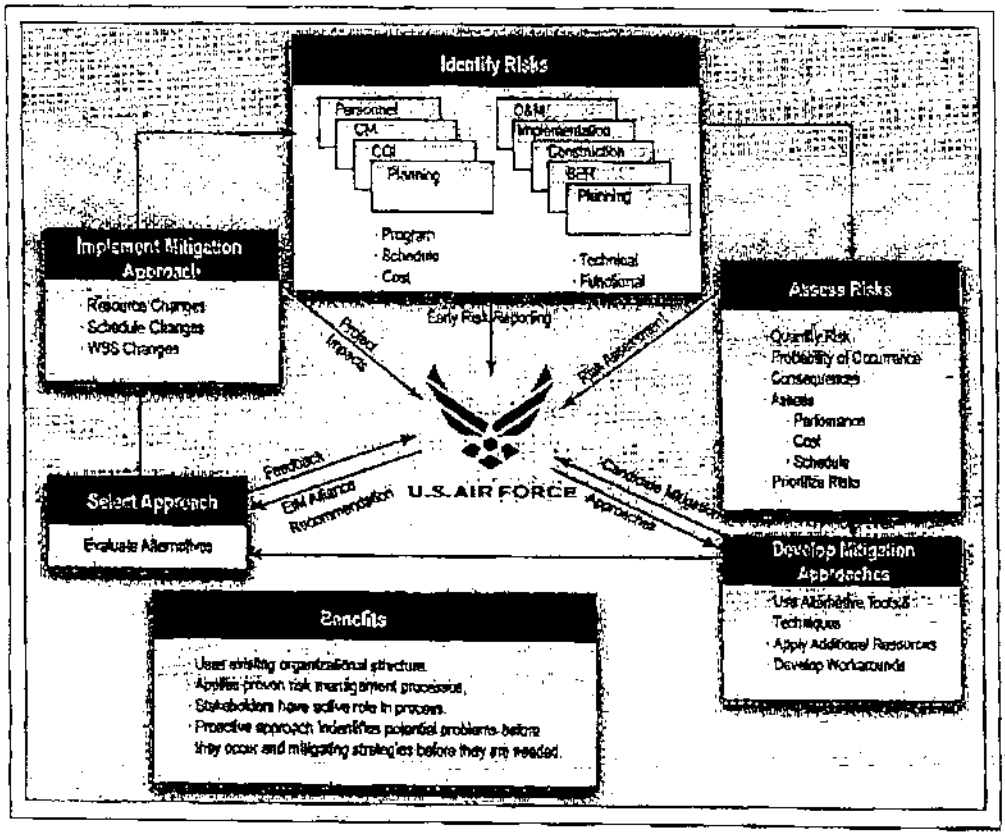

Figure 4-1, Approach to Risk Management

Another key element of Ingenium's management approach to monitoring contract performance is an active use of metrics. Metrics are derived from a careful analysis of project requirements and designed to provide meaningful indicators of progress and performance. The Ingenium Team will use metrics as a management tool to guide execution activities. They help identify areas of potential concern. In isolation, however, metrics do not prove that a problem exists. We always apply good and experienced management judgment, sprinkled with a heavy dose of hands-on experience to determine whether or not a

problem actually exists, the root cause of the problem, and the most appropriate solution. The following are some examples of the reliable metrics the Ingenium Team will use on the EIM Program:

- Monthly and cumulative cost (planned vs. actual).
- Milestones plan vs. actual.
- Staff profiling (planned vs. actual).
- Performance oriented metrics.
- Estimated cost at completion.
- Monthly and cumulative hours (planned vs. actual).
- NAC or Clearance processing for backfilling or new positions (number in cycle, speed).
- Compliance with DOD and AF standards and policies

Properly defined and used in tandem with our other management processes, all of the aforementioned metrics integrate with other Quality Assurance techniques to help us forecast potential problem areas for heightened management attention before they become schedule slippages or performance problems.

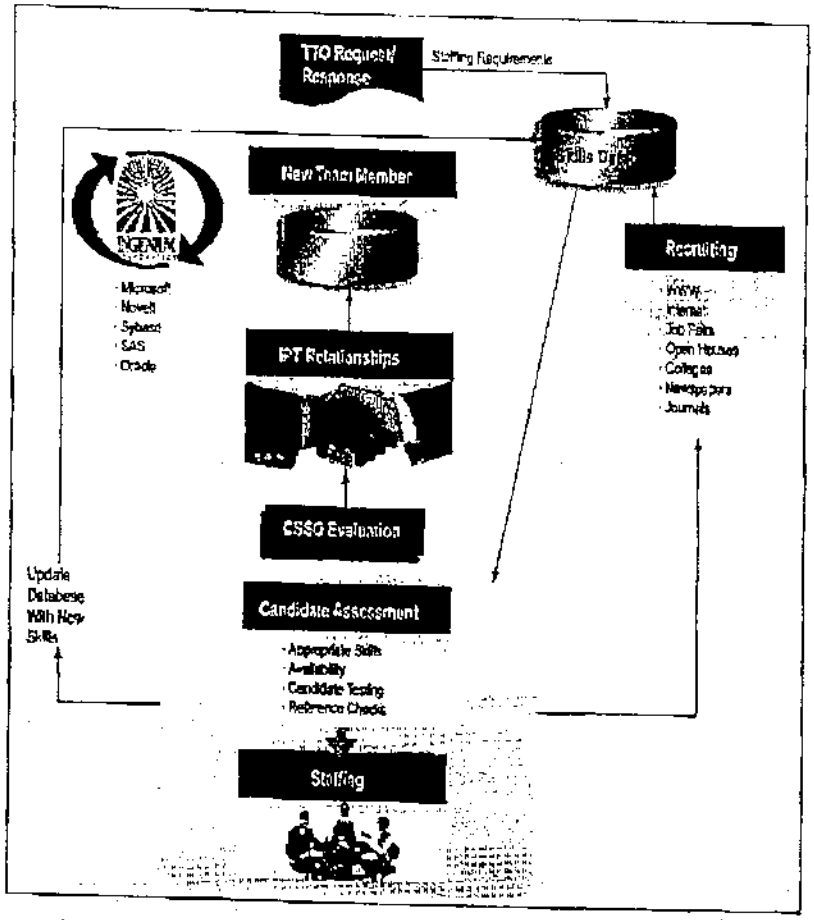

Figure 4-2, Ingenium Team Recruiting and Staffing Process

Mitigating Risks in Recruiting/Staffing/Retention:

Identifying, hiring, and retaining well-qualified management and technical staff may be the single most difficult challenge for fulfilling and meeting EIM Program requirements. To mitigate this potential risk, the Ingenium Team employs two full-time recruiters, one based at our headquarters in Maryland and the other in our offices located in the Midwest. The Ingenium Team has a well-established personnel management system to attract, hire, develop, and retain qualified personnel. **Figure 4-2, Recruiting and Staffing Process** details the method to fulfill this need with little or no risk to the EIM Program. Additionally, with IBM's large, world-wide pool of personnel resources, virtually any staffing contingency may be met.

4.3 Contract Management

As shown in **Figure 4-3, Contract Management Infrastructure**, the Ingenium EIM program exhibits all the necessary elements of an outstanding contract management infrastructure already in place, already functioning, and ready to work immediately, and include the following:

- A clear focus on customer satisfaction and mission accomplishment.
- Eminently qualified senior management.
- Experienced technical staff.
- AF domain knowledge and experience.
- Quick response staffing and recruiting.
- Efficient information management and communication.

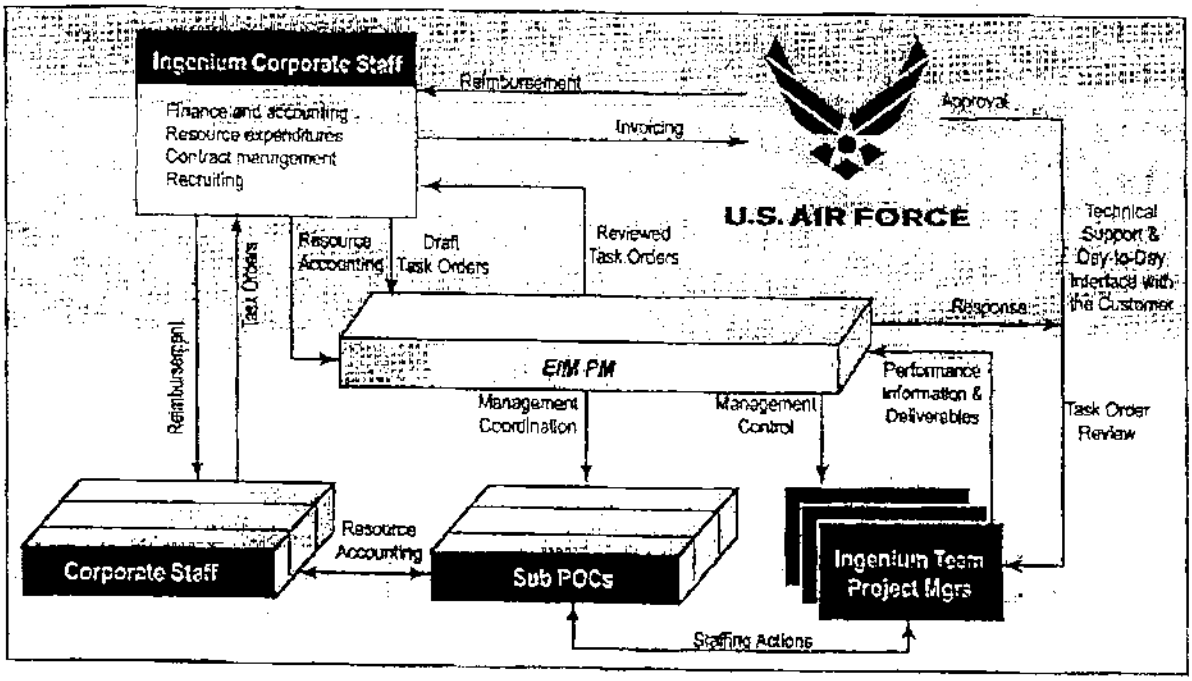

Figure 4-3, EIM Contract Management Infrastructure

4.4 Scheduling

The following items capture the Ingenium Team's holistic approach to the EIM Program. To build an EIM integrated schedule, it is essential to develop an easy-to-follow road map showing the tools and methods and the Ingenium Team's roles and responsibilities. The integrated schedule will provide a view of each critical process and the interactions that take place to ensure successful program execution. The paragraphs below summarize each of the main areas of our approach:

- *Post-Award/Pilot Start Up* – In this stage, our EIM Program Manager holds discussions with the customer and other members of the team. These discussions ensure everyone fully understands all EIM technical requirements in order to establish a firm timeline to expeditiously integrate and deploy the product suite.
- *Project Management Plan (PMP)* – The PMP is a critical element in how we will manage task orders under the EIM program. It ensures that high quality products and services are completed within cost and schedule.
- *Program Baseline* – The program baseline is established from the SOO, CDD, and CMS documents and the resulting EIM contract. Along with the PMP, the baseline establishes the core activities and schedule for the entire team to establish and monitor progress and recognize any necessary adjustments to task or schedule. The program baseline defines the elements that are required to build an EIM integrated schedule. The Ingenium Team will use the schedule to monitor program execution.
- *Technical Baseline* – The technical baseline is similar to the program baseline, but focuses on the technical aspects of the work, rather than the management aspects. The technical baseline identifies specific project deliverables, and the applicable standards and specifications that define how the deliverables must be prepared, what they must contain, and what format they should follow.
- *Ongoing Reviews* – Formal reviews, informal reviews, monthly reports, subcontractor reports, are all part of our process to ensure that all milestones are met as identified in the integrated schedule.

4.5 Pilot Services Approach

The Ingenium's Team Pilot services approach evolves around planning, executing, and controlling activities associated with each of the three phases. Ingenium will identify, define, and support the implementation/execution of the EIM Pilot, using standard Ingenium program management methodologies and practices, and communicating all project information to MSG/MM in a timely and consistent manner.

Ingenium will prepare a program management plan (PMP) for the implementation of the EIM Pilot and submit it within 1 week of contract award. This plan will identify the technical approach, organizational resources, management approach and controls approaches that will be used to meet the cost, performance, and schedule requirements throughout the engagement.

The PMP will serve as the foundation for managing the EIM Pilot and will include these sections at a minimum:

- **Project Work Breakdown Structure (WBS) –** used to establish a common understanding of the objectives to be achieved and to break down project complexities into defined, discrete, and manageable work units. The WBS for the Pilot Development will be designed to separate the efforts required by the Ingenium Team members into easily identifiable and manageable packages, which can then be associated uniquely with the tasks as specified in the project Statement of Work (SOW). The structure forms the basis for project costing and

scheduling and will be used during the project for tracking project performance with respect to cost and schedule.

- **Project Schedules and Milestones** – project schedules and milestones corresponding to the tasks and activities of the WBS will also be presented in the plan using MS Project. Using Microsoft Project 2002 or a later version, Ingenium will create and maintain a detailed Integrated Master Pilot Schedule. This schedule will include all pilot related activities including preliminary work performed prior to the availability of the EIM tool suite via GCSS-AF.

4.5.1 Approach to implementing the Air Force EIM Pilot

4.5.1.1 Planning and Requirements Validation

This stage will begin with a kickoff workshop. The primary purpose of the workshop is to define roles and responsibilities, review pilot objectives, and validate expectations. Soon after the initial kickoff workshop, additional sessions will be held to validate the requirements for the two processes and training specifics. Service Levels for the Tier 3 support will also be defined during this stage.

4.5.1.2 GCSS Integration and Process Implementation

This stage will validate the Air Force GCSS environment and integration points and begins the configuration of the environment for the two Business Processes. The implementation of the business processes will be based on the original RFP documents, validation of requirements, and discoveries made during the first stage. The Business Process implementation will be leveraging installed infrastructure available in the he Air Force GCSS environment. No software is expected to be installed during this stage. Any additional training requirement and validation sessions will continue in this stage.

4.5.1.3 Training and Support

The final stage will provide training to the users. This stage is expected to take 4-6 weeks for the training portion depending upon the role that the individual plays. The Tier 3 support will be provided for up to 200 hours.

Familiarization Training will provide information on the overall solution suite and may include specific product demonstrations for up to 300 users. This class is expected to last no more than three hours. The sessions will be available for up to 75 users at one time and presented in an auditorium format.

User Training will be provided for up to 50 power users (Execs, Admin, Secretarial personnel, task managers, Executive Offices, Knowledge Managers). The user training will be broken into three sub categories of Beginner, Intermediate, and Advanced. Specific content for each course will be based on information from the RFQ documents and information from the training validation sessions conducted during the first stage. Each class is expected to be no more than 3 hours.

Business Process Training will be provided for up to 300 users. Specific content for each course will be based on information from the RFQ documents, information from the training validation

sessions and process review sessions conducted during the first stage. Each class is expected to be no more than 3 hours.

Knowledge Manger Training will be provided for up to 30 users. Specific content for each course will be based on information from the RFQ documents, information from the training validation sessions and process review sessions conducted during the first stage. Each class is expected to be no more than 3 hours.

CBT Media content will be based on the courseware delivered during the User Training. They will be made available **one week** after the course has been delivered to the users.

4.5.2 Estimated Schedule

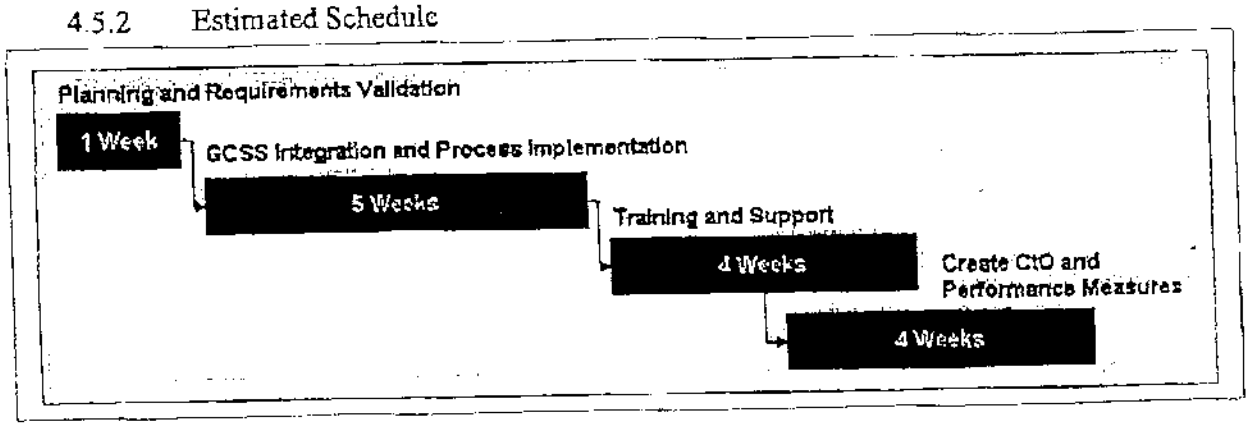

Figure 4.4 Estimated Schedule

5.0 Deliverables:

- **Periodic Reports** – include documentation of activities, progress, timelines, issues, and risks as well as lessons learned. The periodic reports are but one method to maintain consistent communication and collaboration between the contractor, client, and other stakeholders.
- **System Demonstrations** – These demonstrations are designed to show working models and interfaces prior to formal testing. Additionally may be used as a function of peer reviews during a development cycle.
- **Plans and Training Reports** – These documents provide the schedules and methods to be used in a development and deployment cycle. These reports are also used to define the actions planned for accomplishment of required tasks. These reports often become working plans and link very closely to the Periodic Reports.
- **Technical Documents** – These documents serve as the foundation and approach to accomplish or fulfill a requirement. Included are methods, processes, architectures, schematics, and supporting information which may be used to verify and concept, conduct an additional analysis, support additional requirements, or to provide the foundation and support for action.

#	Type Deliverable	Description	Req't Paragraph/Comments	Reference Document	Para
1	Periodic Reports	Monthly Program Status Report	Contractor's Progress, Status and Management Report		
2		Lessons Learned Document	Identify lessons learned	EIM SOO	3 – 9
3	System Demos	EIM System demo	Provide ready access to info & enhance the management/flow of this info essential to support AF mission	EIM SOO	3 -3
4		EIM System demo	Provide the capability to reengineer and standardize enterprise–wide standard processes…for pilot implementation	EIM SOO	3 - 5
5		EIM System demo/ Architecture Documents	Enable the seamless sharing of information through the AF for: Workflow, Document Management, Records Management, Content Management, Interoperability with Air Force Information Management Tools (IMT), Collaboration, Knowledge Management	EIM SOO	3 - 6
6		EIM System demo	Integrate the EIM product suite with the GCSS–AF IF SIPRNET instance (when SIPRNET available)	EIM SOO (similar to #3)	3 - 7
7	Plans and Training	Training Plan	Integrate EIM product suite training into formal Air Force training curriculum(s)	EIM SOO	3 - 11
8		Deployment Plan	Further, this functionality shall be tightly integrated, leveraging the same interface and single repository	EIM SOO	4 - 1
9		Sustainment Plan	Provide assurance that a software maintenance plan and methodology exist to support all components…	EIM SOO	4 - 5
10		Software Assurance Plan	Provide assurance that any freeware or shareware components are and will be supported by either the developer or the offeror throughout the life of the proposed EIM product suite	EIM SOO	4 - 6
11		Project Plan	Provide technical assistance and product documentation to support the updating of GCSS–AF IF security documentation	EIM SOO	4 - 7
12		Project Plan, Training Plan	Field the EIM product suite in Air Force pilot environments…	EIM SOO	4 - 8
13		Training Materials	Develop and sustain training materials for the EIM product suite	EIM SOO	4 - 9

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Attachment 1

	Type Deliverable	Description	Requirement/Content	Reference Document	Para
14	Plans and Training	Security Plan	Countermeasures against both intentional and accidental threats must be addressed throughout the development, implementation, and operational phases of the EIM environment in accordance with the DoD Information Technology Security Certification and Accreditation Process (DITSCAP).	EIM CD	4
15		Information Architecture	While the information lifecycle exists, the Information Architecture is missing and must be defined for EIM to effectively span the Air Force enterprise.	EIM CD	1.3
16		EIM System and Technical/ Architecture Documents	Provide Information Management Tools (Electronic Publications & Forms)	EIM CD	1.3.1
			Provide Collaborative Capabilities	EIM CD	1.3.2
			Provide Electronic Workflow Capabilities	EIM CD	1.3.3
			Provide Document Management Capabilities	EIM CD	1.3.4
			Provide Electronic Records Management Capabilities	EIM CD	1.3.5
			Provide Knowledge Management Capabilities	EIM CD	1.3.6
			Leverage capabilities and services of GCSS-AF IF	EIM SOO	3 - 10
17	Technical Documents	EIM System and Test Results	Field a net-centric, integrated suite of products that meet the requirements as specified in EIM Capability Development Document (CDD) and the Content Management System (CMS) Description. The functionality of each product shall be robust and meet the diverse requirements of the AF.	EIM SOO	4 -1
18		Architecture Documents	The integrated suite of products shall integrate with the Air Force's PureEdge-based, Information Management Tools (IMTs).	EIM SOO (similar to #3)	4 - 1
19		Project Portfolio (life-cycle docs) & Technical Assistance Plan	Provide technical assistance and product documentation to support the integration of the EIM product suite with the GCSS-AF IF	EIM SOO	4 - 2
20		Technical Notes	Identify any unique requirements needed to support integration of the selected EIM product suite to the NIPRNET and/or SIPRNET	EIM SOO	4 - 3

#	Type Deliverable	Description	Requirements Summary	Reference Document	Para
21		Compliance Certificates	Provide a records management capability compliant with DoD 5015.2-STD, Jun 02, Chapters 2 and 4...	EIM SOO	4 - 4
22		EIM Architecture	Develop EIM Architecture based on DoDAF for pilot and enterprise deployment	EIM SOO	3 -1
23		EIM System and Technical Documents	A formal EIM environment consisting of repeatable business processes, information lifecycle management resources and integrated information technology systems	EIM CD (overall system description)	1.4
24	Technical Documents	EIM Architecture	Develop EIM Architecture based on DoDAF for pilot and enterprise deployment	EIM SOO	3 -1
25		Security Plan	Countermeasures against both intentional and accidental threats must be addressed throughout the development, implementation, and operational phases of the EIM environment in accordance with the DoD Information Technology Security Certification and Accreditation Process (DITSCAP).	EIM CD	4

6.0 Period of Performance

The ordering period for the BPA will be [redacted] beginning when the BPA is issued.

7.0 Other Considerations

7.1 The Records Management Application (RMA) supporting this capability shall receive a Joint Interoperability Test Command (JITC) Standards Conformance Certification for DoD 5015.2-STD, Chapters 2 and 4 within 12 months after BPA issuance. If Standards Conformance Certification of the RMA is not provided within 12 months of proposal receipt, the contractor shall provide a fully JITC certified replacement RMA and shall be liable for replacement of all licenses purchased to date, GCSS–AF IF integration and documentation costs, costs to migrate existing and in–development applications, interfaces, data transport mechanisms, costs to update training materials, and other costs associated with deployment, employment, and sustainment of the RMA.

7.2 The Team Leader will ensure that their GSA FSS contract is valid and in force throughout the BPA period of performance. Any changes to the contract shall be brought to the Contracting Officer's attention immediately.

7.3 The Team Leader will establish, as necessary, an Associate Contactor Agreement (ACA) with the Titan Corporation to integrate with GCSS–AF. In addition, as requirements are identified, in each task order, to enter into an ACA with other companies, the Team Leader will ensure such ACA is established.

Exemption 4
5 USC 552 (b)(4)

7.4 The BPA issuance is contingent on the Government's acceptance of the terms and conditions placed in the software license. The software licensing agreement shall be negotiated prior to BPA issuance and finalized within fourteen (14) days following notification of vendor selection. All software license agreements shall be provided to the Government with proposals. If the Government and Team Leader cannot reach an agreement on these terms and conditions, the Government will remove that Team Leader from eligibility for BPA issuance. The Team Leader will adhere to the following unacceptable license terms:

7.4.1 The license shall not subject the Government to the laws of a particular jurisdiction.

7.4.2 The license shall not comment on the entitlement of attorney fees if a matter goes to trial.

7.4.3 The license shall not attempt to have an individual other than a warranted contracting officer bind the Government to certain terms and conditions.

7.4.4 The license shall not impose finance/interest terms on the Government in accordance with the Prompt Payment Act.

7.4.5 The license shall not attempt to impose a contractor lock–out provision – a mechanical or electronic method imbedded in the system that prevents unauthorized use or distribution of the program. This method can result in an impermissible unilateral change to the contract initiated by the contractor and involve a contractor having free access to a computer system that must be secure.

7.4.6 The license shall not state that it sets forth the entire agreement between the contractor and the Government because Federal contracts are also always governed by applicable Federal laws and regulations.

7.4.7 The license shall not impose an automatic renewal provision on the Government or the possibility of unilateral price increases

7.4.8 The license shall not permit the contractor to unilaterally terminate the contract.

7.4.9 The license shall not require the Government to pay any taxes or duties.

7.4.10 The license shall not disclaim all warranties through use of an "as is" provision. The regulations require some warranty of the product.

7.4.11 The license shall not state the sole remedy available to the Government is the refund of money.

7.5 The Government has contracted with MITRE Corporation as the Chief Engineer for the Electronic Systems Center (ESC) and Titan Corporation with approved subcontractors as a support contractor. Since MSG is a part of ESC, MITRE is responsible to the Government for this engineering function, and will assist in evaluating the proposals. The Team Leader agrees to the Government's use of these companies.

7.6 The Government will incorporate the following Organizational Conflict of Interest (OCI) clause and any applicable alternate clauses (alternate clauses I-VI) into any

subsequent BPA. An OCI mitigation plan is required if an offeror plans to subcontract with Titan Corporation, BTAS Corp, Haverstick Government Solutions, Inc., Innolog Corp, or Lockheed Martin Corp. It is at the Government's discretion as to the acceptability of any plan and if a conflict of interest can be mitigated. In addition, all offerors must review their acquisition strategy to determine if any other situation exists that may create a conflict of interest. Offerors must identify in their proposal if they believe there is a conflict of interest. If there is a determination of a conflict of interest, a mitigation plan must be submitted as part of an offeror's proposal. If the Government deems such a mitigation plan insufficient, a revised plan may be submitted. However, the Government is not required to hold discussions on an offeror's mitigation plan and may make a determination that the OCI cannot be mitigated. An offeror will not be issued a BPA until and unless all OCI issues have been satisfactorily addressed.

7.7 Organizational Conflict Of Interest

7.7.1 AFMCFARS 5352.209-9002 Potential Organizational Conflict of Interest. Organizational Conflict of Interest (AFMC) (Aug 2002)

7.7.2 (a) The following restrictions and definitions apply to prevent conflicting roles which may bias the Contractor's judgment or objectivity, or to preclude the Contractor from obtaining an unfair competitive advantage in concurrent or future acquisitions.

7.7.3 (1) Descriptions or definitions:

7.7.3.1 "Contractor" means the business entity receiving the award of this contract, its parents, affiliates, divisions and subsidiaries.

7.7.3.2 "Development" means all efforts towards solution of broadly defined problems. This may encompass research, evaluating technical feasibility, proof of design and test, or engineering of programs not yet approved for acquisition or operation.

7.7.3.3 "Proprietary Information" means all information designated as proprietary in accordance with law and regulation, and held in confidence or disclosed under restriction to prevent uncontrolled distribution. Examples include limited or restricted data, trade secrets, sensitive financial information, and computer software; and may appear in cost and pricing data or involve classified information.

7.7.3.4 "System" means the system that is the subject of this contract.

7.7.3.5 "System Life" means all phases of the system's development, production, or support.

7.7.3.6 "Systems Engineering" means preparing specifications, identifying and resolving interface problems, developing test requirements, evaluating test data, and supervising design.

7.7.3.7 "Technical Direction" means developing work statements, determining parameters, directing other Contractors' operations, or resolving technical controversies.

7.7.3.8 (2) Restrictions: The Contractor shall perform systems engineering and/or technical direction, but will not have overall contractual responsibility for the system's development, integration, assembly and checkout, or production. The parties recognize that the Contractor shall occupy a highly influential and responsible position in determining the system's basic concepts and supervising their execution by other Contractors. The Contractor's judgment and recommendations must be objective, impartial, and independent. To avoid the prospect of the Contractor's judgment or recommendations being influenced by its own products or capabilities, it is agreed that the Contractor is precluded for the life of the system from award of a DoD contract to supply the system or any of its major components, and from acting as a subcontractor or consultant to a DoD supplier for the system or any of its major components.

8.0 Security Requirements: See BPA

1. [redacted]

2. [redacted]

3. [redacted]

Exemption 4
5 USC 552 (b)(4)

[redacted]

Exemption 4
5 USC 552(b)(4)

Chapter 5. Special Item 132-33: Perpetual Software License

Terms And Conditions

Note: These terms and conditions are applicable to the licensing of IBM licensed programs, and are in addition to those described in Chapter 1, General Information.

During the contract period, International Business Machines Corporation (IBM) and the Government agree that the following terms and conditions will apply to any order for IBM licensed programs that is placed by the Government under this Special Item. The term "Government" shall mean all Federal agencies (as defined in Paragraph (b) of 40 USC 472), the Senate, the House of Representatives, the Architect of the Capitol, and the Government of the District of Columbia, all of which are hereinafter referred to as the Government. The materials and services under this Special Item 132-33 will be available to the Government within the United States, the District of Columbia and Puerto Rico. On a case-by-case basis IBM will deliver products and perform services to overseas U.S. Government locations which are in support of national or mutual defense operations (including U.S. Embassies), and to locations which support the national interest of the United States.

5.1 General

Under these terms and conditions, IBM will (1) furnish licensed programs to the Government, (2) furnish materials in support of such licensed programs, and (3) provide program services, as described herein. The Government agrees with respect to the licensed programs to accept the responsibility for (1) their selection to achieve the Government's intended results, (2) their installation, (3) their use, and (4) the results obtained there from. The Government also has the responsibility for the selection and use of, and results obtained from, any other programs, programming equipment, or services used with the licensed programs.

None of the licenses granted hereunder nor any of the licensed programs or copies thereof may be sub-licensed, assigned, or transferred between agencies or departments, including military departments without the prior written consent IBM. Any attempt to sub-license, assign, or transfer any of the rights, duties, or obligations under this Special Item 132-33 is void.

IBM is not responsible for failure to fulfill its obligations under this Special Item due to causes beyond its control.

The Government agrees that all of the terms and conditions of this Special Item applicable to restricted materials shall be applicable to materials, regardless of form, labeled "Restricted Materials of IBM" when distributed to the Government.

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5.2 Orders

Software Acquisition is limited to commercial computer software defined in FAR Part 2.101.

Each order shall list the licensed program(s), feature(s), and or material(s), and shall show the type and serial of the designated machine(s) on which each program and or material are to be used, and the location of such machines. The Customer Requested Arrival Date shall be written into the order and the order shall be forwarded to IBM, certified mail preferred. In the event that IBM can't meet the Customer Requested Arrival Date, IBM shall notify the Government within 30 calendar days from the date of the certified mail receipt or the order receipt date of the Calculated Arrival Date which it can meet. Otherwise, the Customer Requested Arrival Date automatically becomes the Calculated Arrival Date

5.2.1 Risk Of Loss

If licensed programs are lost or damaged during shipment from IBM, IBM will replace such licensed programs and program storage media at no additional charge to the Government.

If licensed programs are lost or damaged while in the possession of the Government, IBM will replace such licensed programs at the then current commercial charges, if any, for processing, distribution, and or program storage media. Such charges will be outside the scope of this Contract.

5.3 Date Of Installation

For a Program,

A. Basic license: The second business day after the Program's standard transit allowance period, or if the Program has a test period, the day after its testing period ends.

B. Copy, the date specified in a Transaction Document, on which IBM authorizes the Government to make a copy of the Program; or

C. Chargeable component, the date the Government distributes a copy of a chargeable component in support of the Government's authorized use of the Program.

5.4 Acceptance

A. On the second business day after the Program's standard transit allowance period, or an acknowledgement of your receipt of the Program if earlier.

B. For licensed programs having a testing period: on the day following the last day of the testing period or the first day of productive use, whichever occurs first.

C. For process charges, the date the materials for which the process charges apply are received by the Government.

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5.5 Charges, Invoices, and Payments

The charges applicable to each licensed program may be a one-time charge, an upgrade charge, a periodic charge and any initial or process charge.

5.9.8 S/390 New Application License Charge ..... [illegible]
5.9.9 S/390 Usage Pricing Charges ..... [illegible]
5.9.10 Single-Version Charging ..... [illegible]
5.9.11 zSeries Workload License Charges - Pre-ILM ..... [illegible]
5.9.12 Workload License Charges Transition Program - Parallel Sysplex ..... [illegible]
5.9.13 zSeries 800 and 900 Software License Charges ..... [illegible]

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Attachment 3
02 Sep 2004

Table 1
Licenses

SOFTWARE LICENSES	CY1	CY2	CY3	CY4	CY5
GSA FSS Price/User	[redacted]				
Volume Level Discounts					
1 to 60,000					
60,001 to 75,000					
75,001 to 100,000					
100,001 to 200,000					
200,001 to 350,000					
350,001 to 500,000					
500,001 to 648,000					
Discounted Price/User	CY1	CY2	CY3	CY4	CY5
[redacted]					

SOFTWARE MAINT	CY1	CY2	CY3	CY4	CY5
GSA FSS Price/User	[redacted]				
Volume Level Discounts					
1 to 60,000					
60,001 to 75,000					
75,001 to 100,000					
100,001 to 200,000					
200,001 to 350,000					
350,001 to 500,000					
500,001 to 648,000					
Discounted Price/User		CY2	CY3	CY4	CY5
[redacted]					

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IT PROFESSIONAL SERVICES DISCOUNTED LABOR RATES - FY04

Attachment 3, Table 2

IT Professional Services - Discounted Labor Rates

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Ingenium

Column 1	2	3
Offeror Labor Skill Code Category	Prime or Team Member	CY1
IBM PM - GSA Level B	[redacted]	[redacted]
Solution Architect - GSA Level B	[redacted]	[redacted]
Content Management SME - GSA Level C	[redacted]	[redacted]
Websphere Portal SME - GSA Level C	[redacted]	[redacted]
Pure-Edge SME - GSA Level C	[redacted]	[redacted]
e-records - GSA Level C	[redacted]	[redacted]
Help Desk Specialist - GSA Level E	[redacted]	[redacted]
Training Specialist - GSA Level E	[redacted]	[redacted]
Project Manager - GSA Project Manager	Ingenium	[redacted]
Document Mgr SME - GSA Computer Engineer/Scientist	Ingenium	[redacted]
Trainer - GSA Sr. Systems Engineer	Ingenium	[redacted]

IT PROFESSIONAL SERVICES DISCOUNTED LABOR RATES - FY05

Attachment 3, Table 2

IT Professional Services - Discounted Labor Rates

FA 8770 - 04 - A-0025

Ingenium

Column 1	2	3
Offeror Labor Skill Code Category	Ingenium or Team Member	CY1
[redacted]M - GSA Level B	[redacted]	[redacted]
Solution Architect - GSA Level B	[redacted]	[redacted]
Content Management SME - GSA Level C	[redacted]	[redacted]
Websphere Portal SME - GSA Level C	[redacted]	[redacted]
Pure-Edge SME - GSA Level C	[redacted]	[redacted]
e-records - GSA Level C	[redacted]	[redacted]
Help Desk Specialist - GSA Level E	[redacted]	[redacted]
Training Specialist - GSA Level E	[redacted]	[redacted]
Project Manager - GSA Project Manager	Ingenium	[redacted]
Document Mgr SME - GSA Computer Engineer/Scientist	Ingenium	[redacted]
Trainer - GSA Sr. Systems Engineer	Ingenium	[redacted]

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TRAINING SERVICES

Attachment 3, Table 3

Training Services - GSA FSS Price
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Ingenium Corporation

Column 1	2	3	4	5	6	7
Training Class	MFG Part #	Ingenium or Team Member	Price Methodology Cost/Person or Class	Price at Contractor Facility	Price at Government Facility	# of People/Class
EIM Familiarization Training		Ingenium	Class	[redacted]	[redacted]	[redacted]
EIM Beginner User Training		Ingenium	Class	[redacted]	[redacted]	[redacted]
EIM Intermediate User Training		Ingenium	Class	[redacted]	[redacted]	[redacted]
EIM Advanced User Training		Ingenium	Class	[redacted]	[redacted]	[redacted]
EIM Knowledge Manager Training		Ingenium	Class	[redacted]	[redacted]	[redacted]
Business Process Training-CIO		Ingenium	Class	[redacted]	[redacted]	[redacted]
Business Process Training-Performance Measures		Ingenium	Class	[redacted]	[redacted]	[redacted]
EIM Beginner Web-based CBT		Ingenium	Class	[redacted]	[redacted]	[redacted]
EIM Intermediate Web-based CBT		Ingenium	Class	[redacted]	[redacted]	[redacted]
EIM Advanced Web-based CBT		Ingenium	Class	[redacted]	[redacted]	[redacted]

One-time and recurring charges may be based on measurements of actual or authorized use (for example, number of users or processor size). The Government agrees to provide actual usage data if IBM specifies. If the Government changes its environment such that it impacts use charges (i.e. Change to processor size or configuration), the Government agrees to promptly notify IBM and provide a modification for any applicable charges.

Initial License Charge (ILC):

In addition to some programs which have a monthly license charge, an ILC charge will apply. The ILC is billed along with the first MLC invoice (see Periodic Charges below).

One time Charges (OTC):

For new program license orders, in the event a price increase occurs from the date of signature on the delivery order to the date of receipt by IBM, IBM will honor the lower price of the order if received within the validity date on the proposal quote or if the order was received within 15 days of the signature date on the delivery order. Should the order be received after the validity date of the proposal or the 15 day period, a new or modified order will be required that reflects the current catalog price.

Periodic Charges:

S/390 and zSeries Platform Programs:

Recurring charges for S/390 and zSeries platform programs, which may be monthly license charges (MLC) or annual license charges (ALC), will be calculated in full calendar month increments.

For new installations and product alterations (other than discontinuances) occurring on the first of a month, charges will begin immediately.

For new installation and products alterations occurring after the first day of the month, charges will begin the first day of the month after installation.

Products discontinued the first of a month or during a month will be charged through to the end of the month.

NON S/390 and zSeries Platform Programs:

Other platform programs with recurring charges (MLC or ALC charges) will begin billing upon the Date of Installation. If applicable, charges will be prorated based on a thirty (30) day month.

All Platform Programs:

Charges for renewal(s) of licensed programs which have been withdrawn from marketing are specified in this price list.

Charges will be invoiced at the end of the period for which the charges accrue.

For new program license orders, in the event a price increase occurs from the date of signature on the delivery order to the date of receipt by IBM, the periodic charge shall be the charge in effect upon the Date of Installation.

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Primary License Charge (PLC):

A Primary License Charge applies to programs which are billed as an Annual License Charge. The PLC is billed as an one time charge upon the Date of Installation of the licensed program.

Program Upgrade Charge:

For selected licensed programs, IBM may designate a replacement program which is normally a new version of an existing program. If the product was offered as OTC, the replacement version may be offered for a Program Upgrade Charge, which is a one time charge that is less than the full OTC amount.

The Government may qualify for the Program Upgrade Charge, if the prior version of the licensed program is discontinued upon installation of the new version.

Process Charge:

A process charge is usually a distribution charge or media charge for machine-readable materials.

Charges will be due upon receipt by the Government of the licensed programs to which such charges apply and are not refundable.

Payment:

Payment is due in accordance with the Prompt Payment Act.

In the event that the Government is of the opinion that any charges or credits on an invoice are not billed properly, every effort should be made to promptly pay the portion of the invoice not in question and give detailed written notice to IBM concerning the items in question.

Fiscal Year Funding:

In those cases where fiscal year funding is delayed, payment of invoices for prior months' billing will be due 30 days from receipt of a valid invoice. For example, if an agency provides a renewal delivery order on December 15, the payment due date for invoices dated November and December is 30 days after receipt of the invoices.

5.6 Cross Fiscal Year Funding

IBM will accept orders which cross fiscal years provided the ordering agency's specific appropriation authority provides for funds in excess of a 12 month (fiscal year) period. The Government's purchase order shall specify the availability of funds and the period for which funds are available.

5.7 License Agreement For "ICA" Programs

(i.e., Recurring S 390 Programs)

Upon acceptance of a Government order, IBM grants a non-exclusive, non-transferable license to use the Program. Programs are owned by IBM or one of its subsidiaries and are copyrighted and licensed (not sold).

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Authorized Use

Under each license, IBM authorizes the Government to:

A. Use the ICA Program's machine-readable portion on only the Designated Machine unless--

The Designated Machine is inoperable. The Government may then use the Program on another machine temporarily.

The Designated Machine cannot assemble or compile the Program. The Government may then assemble or compile the program on another machine.

The Government must promptly notify IBM of the Government's intention to change the designation of the machine on which licensed program materials are to be used. The change of designation will be effective upon the date set forth in the Government's written notification to IBM.

B. Use the ICA Program to the extent of the Government's authorization obtained for the Program(s).

C. Make and install copies of the ICA Program to support the level of use authorized, provided the Government reproduces the copyright notices and any other legends of ownership on each copy or partial copy, and

D. Use any portion of the ICA Program IBM (1) provides in source form, or (2) mark restricted (for example, "Restricted Materials of IBM") only to

Resolve problems related to the use of the Program, and

Modify the ICA Program so that it will work together with other products

Government's Additional Obligations

A. The Government agrees to comply with any additional terms (for example, a usage restriction) that a Program's Specifications may contain. IBM provides the Specification to the Government with the Program.

B. Ensure that anyone who uses the Program (accessed either locally or remotely) does so only for the Government's authorized use and complies with these terms; and

C. Maintain a record of all copies and provide it to IBM at its request

Actions the Government May Not Take

The Government agrees not to do any of the following:

A. Sublicense, assign, or transfer the license for any Program between agencies or departments, including military departments;

B. Sublicense, assign, rent, or lease the Program to any third party without IBM's prior written consent;

C. Reverse assemble, reverse compile, or otherwise translate the ICA Program

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5.7.1 Warranty

Each licensed program which is designated in the Price List as warranted will conform to the Specifications in effect when shipped to the Government if properly used in a Specified Operating Environment. The warranty period for a Program commences on its Date of Installation and expires when its Program Services are no longer available. Thereafter, IBM will provide program services on a chargeable basis as described elsewhere in this SIN. During the warranty period, IBM provides defect related Program Services without charge.

Program Services are available for a warranted Program for at least one year following its general availability.

IBM does not warrant that the functions contained in a licensed program will meet the Government's requirements or will operate in the combinations, which may be selected for use by the Government.

All other licensed programs will be distributed on an "AS IS" basis without warranty of any kind either express or implied.

EXTENT OF WARRANTY/ITEMS NOT COVERED BY WARRANTY

The warranties stated herein will not apply to the extent there has been misuse, accident, modification, unsuitable physical or operating environment, operation in other than the Specified Operating Environment, improper maintenance by the Government, or failure caused by a product for which IBM is not responsible.

THESE WARRANTIES ARE YOUR EXCLUSIVE WARRANTIES AND REPLACE ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

IBM does not warrant uninterrupted or error-free operation of a Product or Service or warrant that all defects will be corrected.

Unless specified otherwise, IBM provides Materials and non-IBM products, without warranties of any kind. However, non IBM manufacturers, developers, suppliers, or publishers may provide their own warranties to you. Warranties, if any, for Other IBM Programs and Non IBM Programs may be found in their license agreements.

5.7.1.1 Remedies

If a Program does not function as warranted during the first year after the Government obtains the license, and IBM is unable to make it do so, the Government may return the program and receive a full refund of the amount paid. To be eligible, the Government must have obtained the license while Program services were available for it.

In no event will IBM be liable for any damages arising from performance or nonperformance of the licensed program during the licensed program testing period or for any damages caused by the Government's failure to perform the Government's responsibilities, or for any claim against the Government by any other party, except as provided in General Information terms for "Patent and Copyright Indemnity," and "Limitation of Liability."

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5.7.2 Program Components Not Used On The Designated Machine

Some Programs have components that are designed for use on machines other than the Designated Machine on which the Program is used. The Government may make copies of a component and its documentation in support of its authorized use of the Program provided the Government. For chargeable components, the government agrees to notify IBM of the component's actual date of distribution which is its Date of Installation.

5.7.3 Distributed System License Option

A. For certain Programs the Government may make a copy under a Distributed System License Option (called a "DSLO" copy). When ordering additional licenses for such a licensed program, the Government must designate whether an additional Basic or DSLO License is requested. IBM charges less for a DSLO license than for a Basic license. For each DSLO License, the Government will:

Have a Basic license for the Program;

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Provide problem documentation and receive Program Services (if any) only through the location of the Basic License;

Distribute to, install, and test on the DSLO's Designated Machine any new release, correction or bypass provided by IBM to the Basic License.

IBM does not provide a testing period for DSLO copies.

B. Unless the Government designates another Basic License, notice of discontinuance of a Basic License shall be notice of discontinuance of all DSLO licenses for that Basic License.

5.7.4 Specified Operating Environment

The specified operating environment is the environment in which a licensed program is designed to operate, which may be one or more IBM machine types and, in most instances, in conjunction with other IBM equipment and programs. The Licensed Program Specifications, for each warranted licensed program, will state the environment in which the licensed program is designed to operate. For licensed programs distributed on an "AS IS" basis the Specified Operating Environment will be stated in a notice of availability.

Program services for a licensed program used in other than a Specified Operating Environment are subject to limitations occasioned by the differences between the Specified Operating Environment and the Government's operating environment and by the extent of the local IBM representative's knowledge of the Government's equipment and programs. Such program services will be subject to the following conditions:

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The Program Service project office will only respond to defects which will occur when they operate the licensed program in a Specified Operating Environment.

Furthermore, the IBM representative will only operate a machine designated in the order if it was marketed or manufactured by IBM. IBM will have the right to make additional charges, in

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accordance with Appendix C of this Price List, for any additional effort required to perform these program services.

5.7.5 Licensed Program Specifications

For each licensed program which is warranted, IBM will have published, at the time that licensed program becomes available, a document entitled "Licensed Program Specifications." Such Licensed Program Specifications may be updated by IBM from time to time and such updates may constitute a change in specifications.

5.7.6 Permission To Modify

The Government may modify the program's machine readable instructions or data and merge them into another program to form an updated work for the Government's own use; provided that, upon discontinuance of the licensed program, the licensed programs will be completely removed from the updated work and dealt with under this Special Item as if permission to modify or merge had never been granted. Any portion of the licensed programs included in such an updated work will continue to be subject to all terms of this Special Item.

5.7.7 Early Shipment Of Licensed Printed Materials

When the Government has issued and IBM has confirmed an order for a generally available licensed program, licensed program materials which are provided by IBM in printed form will, upon request, be shipped up to six months prior to shipment of the machine readable portion of the licensed program. The licensed printed materials, thus provided, may not be copied in any form for any purpose.

If the Government does not request that the machine readable portion of the licensed program materials be shipped within six months following the date of shipment of the licensed printed materials, the Government will discontinue the license for the program and return or destroy the printed materials.

Program services, if any, for the licensed program will not be provided prior to shipment or delivery of the machine readable portion of the licensed program materials.

5.7.8 Program Testing

IBM provides a testing period for certain ICA Programs to help the Government evaluate if they meet your needs. If IBM offers a testing period, it will start 1) the second business day after the ICA Program's standard transit allowance period, or 2) on another date specified in a Transaction Document. IBM will inform you of the duration of the ICA Program's testing period.

IBM does not provide testing periods for DSLO copies.

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In the event that the licensed program is used for productive purposes during the testing period, the testing period will be deemed to have ended as of the date upon which the Government commences productive use.

5.7.9 Shipment Of Program License

Subject to conditions beyond IBM's control, licensed programs listed in this Price List will be shipped to the Government in time to meet the calculated arrival date confirmed by IBM.

Except when otherwise specified in this Price List, licensed programs will be shipped to the Government without shipping charge. Any special shipment requested by the Government will be at the Government's expense.

5.7.10 Term - Discontinuance

Orders are effective from the date on which they are received by IBM and will remain in effect until cancelled by the Government upon written notice.

For S/390 and zSeries platform programs, the effective date of discontinuance will be the first of the month following IBM's receipt of the Government's written notice.

For all other software platform products IBM requires a one month's written notice for discontinuance. The Government may terminate a License at any time during the test period.

Whenever a license is cancelled by the Government, all licensed programs hereunder must be discontinued and returned or destroyed. The Government may retain a copy for archive purposes.

Licenses for certain replacement Programs may be obtained for an upgrade charge. When the Government obtains licenses for these replacement "ICA Programs", the Government agrees to terminate the license of the replaced Program when charges become due, unless IBM specifies otherwise.

IBM may discontinue any license upon written notice if the Government fails to comply with any of the terms and conditions of this Special Item. Such discontinuances will terminate the Government's authorization to use the Program.

Notice should also be provided for a discontinuance which occurs at the end of the fiscal year, but failure to give notice shall not be deemed as obligating the succeeding fiscal year's funds. All orders automatically terminate on September 30; however, ordering offices are instructed to notify IBM in writing one month prior to the expiration of the order if the license is to be discontinued at the end of the fiscal year. Renewal of an order under the new fiscal year will be required if the license is to be continued.

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5.7.11 Program Services

For each licensed program the period of program service, if any, to be provided for a current release of the licensed program is specified in IBM's GSA website www.ibm.com/easyaccess/gsa. Program service will commence at the beginning of the licensed program testing period or, if there is no testing period for that license, when periodic charges are due. Program service will be subject to the provisions of "SPECIFIED OPERATING ENVIRONMENT," herein.

IBM provides Program Services for warranted "ICA" Programs per the terms stated herein. Terms for "Other IBM Program" Program Services are described in Item 5.8. If IBM can reproduce the reported problem in the Specified Operating Environment, IBM will issue defect correction information, a restriction, or a bypass. IBM provides Program Services for only the unmodified portion of a current release of a Program. Program Services are provided 1) on an on-going basis. IBM will provide at least six months' written notice before terminating this service for a Program, 2) until the date identified, or 3) for a period specified.

5.8 IBM Program License Agreement (IPLA)

LICENSED DETAILS FOR "OTHER IBM PROGRAMS" (i.e., OTC SOFTWARE, DISTRIBUTED SOFTWARE)

The license details below are for certain products within IBM's Schedule designated with a "P" in the License Type category of the pricelist. By downloading, installing, copying, accessing, or using the Program, the Government agrees to the terms stated herein.

Documentation entitled "License Information" will be enclosed with the Program and contains additional information and terms and conditions concerning the Program and any related Program Services. The Program's LI is available at http://www.ibm.com/software/sla/.

Acceptance

The Government's acceptance of a Program is the second business day after the Program's standard transit allowance period, or acknowledgement of your receipt of the Program, if earlier.

5.8.1 Entitlement License

The Program is owned by IBM or an IBM supplier, and is copyrighted and licensed, not sold.

Use of the Program:
Upon acceptance of a Government order, IBM grants a non-exclusive license to use the Program.

The Government may:

1. Use the Program up to the level of use specified in the PoE and

2. Make and install copies, including a backup copy to support such use. The Government will reproduce all copyright notices and all other legends of ownership on each copy, or partial copy of the Program. The terms of the license apply to each copy the Government makes.

If the Government acquires a Program as a program upgrade, after the upgrade is installed, the Government's authorization to use or transfer the Program that was upgraded is terminated.

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The Government will ensure that anyone who uses the Program (accessed either locally or remotely) does so only for the Government's authorized use and complies with the terms stated herein.

The Government may not 1) use, copy, modify, or distribute the Program except as provided herein; 2) reverse assemble, reverse compile, or otherwise translate the Program except as specifically permitted by law without the possibility of contractual waiver; or 3) sublicense, rent, or lease the Program.

Transfer of Rights and Obligations:

The Government may transfer a Program and all the Government's license rights and obligations to another party only if that party agrees to the terms of the IPLA. When the Government transfers the Program, it must also transfer a copy of the IPLA terms and conditions, and the Proof of Entitlement for the Program. The transfer of the license rights and obligations terminates the current Government user's authorization to use the Program under the Proof of Entitlement.

5.8.2 Money-Back Guarantee

If for any reason the Government is dissatisfied with the Program and the dissatisfied party is the original licensee, the Government may obtain a refund of the amount paid for the Program. The Program and the PoE must be returned to IBM within 30 days of the invoice date. If the Program was downloaded, the Government may contact IBM for instructions on how to obtain the refund.

5.8.3 Proof Of Entitlement ('POE')

The Proof of Entitlement for a program provides evidence of the Government's authorization to use the Program at a specified level. That level may be measured, for example, by the number of processors or users. The PoE is also evidence of the Government's eligibility for warranty services, future upgrade prices, if any, and potential special or promotional opportunities.

If IBM does not provide a PoE, then IBM may accept the original invoice provided it specifies the name of the Program and the usage level acquired.

5.8.4 Warranty

IBM warrants that when the Program is used in the specified operating environment it will conform to its specifications. The warranty applies only to the unmodified portion of the Program. IBM does not warrant uninterrupted or error-free operation of the Program or that we will correct all Program defects. The Government is responsible for the results obtained from the use of the Program.

IBM provides the Government with access to IBM databases containing information on known Program defects, defect corrections, restrictions, and bypasses at no additional charge. Consult

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the IBM software support guide for further information at http://www.ibm.com/software/support. IBM will maintain this information for at least one year after the original licensee acquires the Program ("Warranty Period").

If the Program does not function as warranted during the Warranty Period and the problem cannot be resolved with information available in the IBM databases, the Government may return the Program and its POE to IBM and receive a refund in the amount paid. If the Government downloaded the Program, you may contact IBM for instructions on how to obtain the refund.

THESE WARRANTIES ARE THE GOVERNMENT'S EXCLUSIVE WARRANTIES AND REPLACE ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5.8.5 Charges

The amount payable for a Program license is a one time charge. One-time charges are based on the level of use acquired which is specified in the POE. The Government must notify IBM and pay applicable charges to increase the level of use. IBM does not give refunds or credits for charges already due or paid.

5.8.6 Termination

IBM may terminate the Government's license if it is determined the Government failed to comply with the terms stated herein. If IBM does so, the Government must destroy all copies of the Program and its POE.

5.8.7 Software Maintenance Subscription For Selected IBM Programs (SWMA)

5.8.7.1 IBM's Maintenance Support Offering Includes:

1. Subscription, e.g., Program updates, enhancements, preventive service or new releases;

2. Technical assistance, e.g., response to telephone inquiries concerning the installation, use operation or function of Programs; and

3. Regulatory response, e.g., information on, or changes required by, government or other regulatory agencies.

Support is provided only for those eligible Programs installed within the Government agency or department.

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The Government agrees to:

1. When purchasing Support for a Program, to purchase Support for all copies of a Program at the same location. This includes Programs that the Government already acquired and those that may be subsequently acquired.

2. To be responsible for the results obtained from the use of the Support;

3. To provide sufficient, free, and safe access to the Government's facility for the fulfillment of IBM's obligations.

4. To have specified equipment or programs installed if Support is provided through a telecommunications link, and

5. Not to assign, or otherwise transfer, this Agreement or the Government's rights stated herein, or delegate its obligations, without prior written consent. Any attempt to do so is void.

If the Government declines Support at the time the Support is made available or if the Government resumes the Support which had previously been terminated, IBM will invoice a one time charge Currency Access Fee, Resumption Fee, or Software Maintenance After License Charge.

Support Transferability:

The Government may not transfer the Support between agencies or departments, including military departments without prior written consent of IBM.

Termination:

The Government may terminate the Support by providing IBM one month written notice. Such notice should be provided to IBM for termination at the end of the Government's fiscal year anniversary date for the renewal, but failure to give notice shall not be deemed as obligating the succeeding fiscal year's funds. If not terminated, a delivery order must be issued effective the first day of the succeeding fiscal year or contract year to ensure there is no lapse in time subjecting the Government to a Currency Access, Resumption fee, or Software Maintenance After License Charge.

IBM may withdraw Support by providing a minimum of six month's written notice. IBM will make every effort to continue support through the end of the Government's fiscal year or provide a refund for any amounts prepaid.

Warranty:

IBM warrants during the Support Period that Support will be provided:

1. Using reasonable care and skill; and

2. According to its current description contained herein.

The warranties will be voided by misuse, accident, modification, unsuitable physical or operating environment, operation in other than the specified operating environment, or failure caused by a product for which we are not responsible.

THESE WARRANTIES ARE YOUR EXCLUSIVE WARRANTIES AND REPLACE ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR

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CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

IBM does not warrant uninterrupted or error-free provision of Support or that we will correct all defects.

Unless we specify otherwise, non-IBM Support is provided **WITHOUT WARRANTIES OR CONDITIONS OF ANY KIND**

5.8.7.2 iSERIES AND pSERIES SUPPORT TERMS:

Licensed Programs For Which Software Maintenance is Available:

The list of Licensed Programs for which Software Maintenance is available may be found at

http://www-1.ibm.com/servers/eserver/iseries/sftsol/sfdescript2.htm or may be obtained by calling an IBM representative.

Initial Support Period: One year

Subsequent Support Period: One year at the then current Software Maintenance charge.

Renewal: Option to renew at the end of each Support Period, at the then current Software Maintenance charge.

Charge Type: One Time-Charge with options to renew on the yearly anniversary date. Charges may vary by Program selected.

Software Maintenance After License Charge: A charge for the acquisition of Software Maintenance after the Government had declined Software Maintenance upon renewal or if the Government had previously terminated the offering and wishes to resume coverage.

Software Maintenance:

1. IBM will make available to the Government the most current commercially available version, release, or update to all of the Programs acquired under this offering, should any be made available.

2. IBM provides assistance for the Government's

   Routine, short duration, installation and usage (how-to) questions; and

   Code-related questions. IBM provides assistance via telephone and, if available, electronic access, only to the Government's information systems (IS) technical support personnel during the normal business hours (published prime shift hours) of the IBM support center. This assistance is not available to the Government's end-users. IBM provides Severity 1 assistance 24 hours a day, every day of the year. Consult the IBM Software Support Guide, which may be found at http://techsupport.services.ibm.com/guides/handbook.html, for details.

   In some instances, IBM may request that the Government allow it to remotely access your system to assist in isolating the software problem cause. The Government will remain responsible for adequately protecting its system and all data contained in it whenever IBM remotely accesses it with the Government's permission

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Software Maintenance does not include assistance for

1. Design and development of applications

2. The Government's use of Programs in other than the specified operating environment or

3. Failures caused by products for which IBM is not responsible under this Agreement.

IBM Software Maintenance for iSeries and IBM Software Maintenance for AIX Operating Systems apply to a designated machine (type, model and serial number).

Redesignation of IBM Software Maintenance for iSeries and AIX:

The Government may redesignate its Software Maintenance only to another machine that

1. Is licensed for the same operating system at the same or a more current release level and

2. is located within the department in which the Software Maintenance was acquired.

Withdrawal:

IBM may withdraw Software Maintenance for a particular Program or group of Programs. The Government understands that for that Program or group of Programs for which IBM withdraws Software Maintenance:

1. IBM will not make Software Maintenance renewal available; and

2. If the Government has already renewed for the year, IBM, at its discretion, will either (a) continue to provide the Software Maintenance until the end of the then current Support Period or (b) upon three months' written notice by letter or e-mail, withdraw Software Maintenance during the current Support Period and give the Government a prorated refund.

5.8.7.3 S/390 Program Support Terms:

Support Period Duration: One year

Billing Period: Annual

Charges: Charges vary according to the Programs and features chosen. Subscription and Support must cover the same capacity as the Product License entitlement.

Support Provided:

Program Support: For the unmodified portion of the Program, and to the extent problems can be recreated in the Specified Operating Environment, includes:

Code Corrections: code to correct reported, substantial deviations from the Program's then applicable Specifications

Fixes: existing Code Corrections, restrictions or known bypasses for reported problems.

Program Updates: periodic releases of collections of Code Corrections, Fixes, functional enhancements (including modifications to accommodate applicable statutory or regulatory changes) and new versions and releases to the Program and documentation.

Technical Assistance: a reasonable amount of remote assistance via telephone, mail, facsimile (fax) or e-mail to address suspected IBM Program defects. Technical assistance is available

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from The IBM Support Center. Details including hours of operation, are outlined in the S 390 section of the IBM Lotus Tivoli Software Support Handbook at:
http://ps.software.ibm.com/pbin-usa/ps/getobj.pl?/pdocs/usa/webjndb5.html

Resumption Fee: calculated as the lesser of the total of all support charges that the Government would have paid during the lapsed interval or the then-current license charge for the Product at the time of reinstatement.

5.8.8 Passport Advantage

Under these IBM Passport Advantage terms and conditions (called "PA terms"), IBM provides the Government a way to obtain authorizations to use, update and support Programs obtained from IBM. The terms and conditions stated herein for Passport Advantage will prevail in lieu of any other terms and conditions included in the documentation provided by IBM when the Government enrolls in Passport Advantage.

Products eligible under Passport Advantage include commercially available IBM Programs, IBM Trade-ups, Competitive Trade-ups, annual IBM Software Maintenance renewals, and IBM Software Maintenance Reinstatement. Selected products available under the commercial Passport Advantage Agreement are included under IBM's GSA Schedule and are hereinafter referred to as "Eligible Products". A listing of these Eligible Products are available at our GSA website.

The Originating U.S. Government customer (defined as an agency or affiliated entity of the U.S. Government) and IBM agree to coordinate the administration of these PA terms within their respective organizations. These PA terms are effective on the date IBM accepts your initial Delivery Order for Eligible Products and remains in effect until the Government or IBM terminate it in accordance with the Section entitled "Termination."

If IBM withdraws an Eligible Product from marketing, the Government will no longer be able to obtain it under this GSA Schedule. If IBM withdraws a Program or a version of a Program from marketing, you may not increase its level of use beyond the authorizations already acquired on or after the effective date of withdrawal without IBM's prior written consent, which IBM will not unreasonably withhold.

The Passport Product "Anniversary" for the Government is October 1 of each fiscal year, or the Government's existing "Anniversary", unless a different date is mutually agreed to in writing.

A "Term" is the period that begins on the date IBM accepts the Government's order (in the case of the initial Term) or on the Anniversary (in the case of subsequent Terms), and ends on the day immediately prior to the next Anniversary.

These PA terms, any applicable attachments, and any associated documents, i.e., Enrollment Form, Proofs of Entitlement and invoice (called "Associated Documents") are the complete agreement regarding transactions , and replace any oral or written communications between us concerning Passport Advantage.

Eligible Products

IBM Programs

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Proof of Entitlement: IBM specifies a Program's authorized use in a Proof of Entitlement (called "PoE"). Examples of the measure of the level of authorize use include but are not limited to the number of copies, processors, or users. This PoE, supported by your matching invoice or receipt, is evidence of your level of authorized use. During the term of the Government's Delivery order IBM has the right to verify your compliance with the PA terms on your premises during your normal business hours and for 2 years thereafter, and in a manner that minimizes disruption to your business. IBM may use an independent auditor for this with your prior approval, which you shall not unreasonably withhold. Notwithstanding anything to the contrary in the Proof of Entitlement document, the terms and conditions of this GSA Schedule apply in lieu of the International Passport Advantage Agreement referenced in the PoE.

Versions and Platforms: You may use Programs and their associated user documentation in any commercially available national language version up to the level of use authorized in the PoE. You are authorized to use the Program(s) that you obtain under these terms on any platform or operating system for which IBM currently makes Program code available under Passport Advantage unless the Program is designated as platform or operating system specific at the time you obtain it.

IBM Trade-ups: Licenses for certain Programs that replace qualifying IBM Programs may be obtained for a reduced charge. You agree to terminate your use of the replaced IBM Programs when you install the replacement Programs.

Competitive Trade-ups: Licenses for certain Programs that replace qualifying third party programs may be obtained for a reduced charge. You agree to terminate your use of the replaced third party programs when you install the replacement Programs.

License: IBM Programs obtained under these PA terms are governed by the license terms stated elsewhere in this SIN entitled, "IBM Program License Agreement (IPLA)". If there is a conflict between the Passport Advantage terms and the IPLA, including the Program's License Information (LI) document, the terms of Passport Advantage stated herein will prevail. Each IBM Program Agreement LI is available at IBM's Web site (http://www.ibm.com/software/sla).

Software Maintenance

Software maintenance is included with each Program license. Software maintenance included with IBM Program licenses is provided by IBM and is called "Software Maintenance." IBM does not provide IBM Software Maintenance for Non-IBM Programs.

IBM Software Maintenance begins on the date of acquisition and ends on the last day of the corresponding month in the following year, unless the date of acquisition is the first day of the month, in which case coverage ends on the last day of the month, 12 months from the date of acquisition.

While IBM Software Maintenance is in effect for an IBM Program license:

1. IBM will make available to you and authorize you to use the most current commercially available version, release, or update should any be made available.

2. IBM provides you assistance for your 1) routine, short duration installation and usage (how-to questions) and 2) code-related questions.

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3. IBM provides assistance via telephone and, if available, electronic access only to your information systems (IS) technical support personnel during the normal business hours (published prime shift hours) of your IBM support center. (This assistance is not available to your end users.) IBM provides Severity 1 assistance 24 hours a day, every day of the year. Consult the IBM Software Support Guide for details at ibm.com/software/support.

IBM Software Maintenance does not include assistance for 1) the design and development of applications, 2) your use of IBM Programs in other than their specified operating environment, or 3) failures caused by products for which IBM is not responsible under the PA terms.

IBM WARRANTS THAT IT PROVIDES IBM SOFTWARE MAINTENANCE USING REASONABLE CARE AND SKILL. THIS WARRANTY IS YOUR EXCLUSIVE WARRANTY AND REPLACES ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Annual Software Maintenance Renewal

Software is renewable on a subscription basis as a one time charge on the yearly Anniversary date. IBM will renew expiring software maintenance for all of the Government's Program licenses to the next Anniversary if IBM receives a delivery order within 7 days after the Anniversary otherwise IBM's systems will automatically terminate the service. If the Government does not renew Software Maintenance coverage for certain or all of your Program licenses and at a later date you wish to again acquire Software Maintenance coverage for any of those Program licenses, the Government must obtain IBM Software Maintenance Reinstatement.

1. Software maintenance obtained or renewed on the Anniversary is renewable for an additional coverage period of 12 full months.

2. Software maintenance obtained on a date other than the Anniversary is renewable at the next Anniversary for an additional coverage period of less than 12 months for a pro-rated charge, thereby extending the coverage to the following Anniversary.

If IBM withdraws software maintenance for particular Program, you understand that

a. IBM will not make software maintenance renewal available for that Program; and

b. If you renewed IBM Software Maintenance for that IBM Program license prior to the notice, IBM, at its sole discretion, will either continue to provide IBM Software Maintenance to you for that Program license until the end of the then current coverage period or you may obtain a prorated refund or credit.

Site

"Site"means any location of a U.S. Government Agency issuing to IBM a Delivery Order hereunder for the Agency's own internal use.

Obtaining Eligible Products

To obtain additional authorizations to use Programs under Passport Advantage the Government must have already obtained the Program code. IBM's "money-back guarantee" applies the first time you license the IBM Program.

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Mutual Responsibilities

Both of us agree that, under these PA terms

A. All information exchanged is non-confidential. If either of us requires the exchange of confidential information, it will be made under a signed confidentiality agreement;

B. Each of us may communicate with the other by electronic means and such communication is acceptable as a signed writing to the extent permissible under applicable law. Both of us agree that for all electronic communications, an identification code (called a "user ID") contained in an electronic document is sufficient to verify the sender's identity and the document's authenticity;

Assignment and Transferability

The Government may not assign these PA terms in whole or in part to any third party outside the US Government, without IBM's prior written consent. Any attempt to do so is void. IBM will not unreasonably withhold this consent.

Eligible Products the Government obtains under these PA terms may not be resold, rented, leased, or transferred to third parties. These licenses may only be transferred within a Site (refer to definition of Site above), unless otherwise agreed to by IBM. The transfer of the license rights and obligations outside of a Site terminates the Licensee's authorization to use the Program under the PoE. In addition, such Eligible Products may not be used to provide commercial hosting or other commercial information technology services to third parties.

Termination

IBM may withdraw the Passport Advantage Offering thereby terminating these terms with the Government on one year's written notice. If you renewed Software Maintenance for any Programs prior to the notice of withdrawal, IBM at its sole discretion will either continue to provide Software Maintenance to you for those Programs until the end of the then current coverage period or give you a prorated refund or credit.

Either of us may terminate if the other does not comply with any of its terms provided the one who is not complying is given written notice and reasonable time to comply.

Any terms stated herein which by their nature extend beyond its termination remain in effect until fulfilled and apply to respective successors and assignees.

Notwithstanding anything to the contrary in these terms, the Government's obligation for performance of under these terms is contingent on the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under these terms beyond the end of the fiscal year until funds are made available to the Contracting Officer for performance and until we receive notice of availability to be confirmed in writing by the Contracting Officer.

5.9 Software Pricing Options

Note: These pricing options generally apply to "ICA" Programs.

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5.9.1 Extended License Charge (ELC)

Extended License Charges (ELC) are provided for selected System 390 Programs. These charges are based on the total capacity of the machine on which such Programs will be used, as measured in millions of CPU service units (MSU) per hour. Such charges apply to any System 390 or compatible machine with a capacity greater than 80 MSU's. If any System 390 Program has a use-based charge, the Government may elect that charge in lieu of ELC. The MSU rating for the machines are available on http://www.ibm.com/servers/library/swpricesinfo

ELC charges are based on a Base Charge for 80 MSU capacity and an incremental per MSU charge for all additional MSU's above the 80 MSU base.

For System 390 Programs running on machines

Not listed on the website product list

Not listed in a machine group eligible for variable charges, or

For which no MSU's have been established.

IBM shall charge the ELC based on twice the highest MSU rating listed for that vendor's product group identified in Product List.

The Government shall be responsible to:

1. Promptly notify IBM of the date of a change in, or alteration to, the machine that affects the capacity of that machine; and

2. Contact IBM to obtain the applicable charge for System 390 Programs that do not have an ELC, but will be designated to a machine listed on the website.

Programs licensed with ELC qualify as a basic license. There are no ELC options available for Distributed Systems License Option (DSLO) licenses or Multiple Operating System (MOSP).

5.9.2 Multiple Operating System - PR/SM Option (MOSP)

IBM's Multiple Operating Systems - PR/SM Option (MOSP) is a graduated software charge option for customers who operate multiple different operating systems on a single machine. The MOSP reduces graduated charges, Basic and DSLO, for System 370™ and System 390™ system and application programs on qualifying machines. The MOSP charge option is an alternative payment option within the same software group level, and as such does not represent a software group level downgrade, or new release or version of software.

IBM provides the charge option for System 370 or System 390 Variable Charge Programs when the Programs are designated to 1) a Machine with Processor Resource Systems Manager™ (PR/SM) installed or 2) a non IBM Machine with a machine partitioning facility similar to PR/SM installed. Qualifying machine type models are annotated in Appendix G.

The qualifying machine must have an eligible IBM Program from one of the IBM-defined operating system categories normally running concurrently with an eligible Program from a different IBM-defined category. The eligible Programs must have recurring or one-time charges due or paid.

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IBM will make certain Variable-Charge Programs available to the Government at the MOSP, and specify a category for eligible operating system Programs. The IBM-defined operating system categories and the IBM operating system programs in each of them are identified in Appendix J.

Should IBM reassign a Program to a different category, Program licenses with MOSP one-time charges due or paid before the reassignment will not be affected. Any reassignments resulting in lower charges shall be effective as of the date of such change. Any one-time charges that are already paid or are due as of the date of such change will receive no credit or refund.

In order to qualify for the alternative MOSP charges the Government must submit to IBM its delivery order and the completed MOSP document in Appendix J, and comply with the following requirements:

1. Notify IBM of the qualifying Machines and eligible Programs via the MOSP document in Appendix J;

2. Eligible Programs must be concurrently on a qualifying Machine; and

3. The Government must promptly notify IBM if PR/SM or other machine partitioning facility is removed from the qualifying Machine or if the Government ends normal concurrent use of the eligible Programs. In such cases, increased charges apply.

Government entities with a non-IBM operating system program normally in concurrent use with another eligible operating system may qualify for MOSP if the non-IBM operating system program is identified in Appendix J.

For delivery orders accepted by IBM, the effective date for MOSP charges shall be the date the delivery order is accepted by IBM.

5.9.3 Programs With Graduated Charges

Notwithstanding any other provisions of this Special Item 132-33, the following apply to those licensed programs having Graduated Charges and only to such licensed programs when licensed with Graduated Charges (one-time or monthly charge).

A. Graduated Charges are based on the Processor Group of the Designated Machine Group on which the licensed program is licensed for use and the Government will pay the applicable charges based on such Group (see Appendix G for iSeries and pSeries products). The program group must be equal to or higher than the processor group identified in Appendix G. If the processor group is 32 and the licensed program groups are 30 and 40, the applicable program charge is that of group 40.

B. If a Program with Graduated Charges is licensed for use on an IBM Machine not listed below, the Charges will be those for the Group with the highest Charges, or those of an alternative charging methodology, such as Indexed Monthly License Charge, as specified by IBM.

Increases in any S/370, S/390 and z/Series Program Group charges, due to changes in the Group placement for any Machine that they are licensed to, will be in effect for a minimum period of one month.

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Programs are not eligible for Graduated Charges, unless approved by IBM, if:

Workload License Charges (WLC) are available for the Program, and

The program is licensed to an Eligible Machine listed on the Appendix M for zSeries Workload License Charges, and

z/OS is also licensed to the same Eligible Machine.

Product Information for IBM System 370, System 390 zSeries and non-IBM Machines can be found at http: www.ibm.com/ zseries/library/swpriceinfo (See Machines with Group in the Group column)

C. In addition to specifying the Type and Serial or Plant Order Number of the Designated Machine, the Government's delivery order for each Program with Graduated Charges, or the Government's request for a change in the Designated Machine pursuant to "License Details" terms, will also specify the Model and the applicable Group of such Machine.

D. The Government will immediately notify IBM pursuant to "License Details" herein, any change in the Designated Machine. Such changes may result in a change in the applicable Group. Any change in the Graduated Charges associated with the new Group will be as described in Paragraph F below and will become effective upon the date IBM receives the Government's request for a change in the Designated Machine.

E. The installation of an upgrade or downgrade to the Designated Machine may result in a change in the applicable Group. In such event, the Government will notify IBM of such change. If such installation is not performed by IBM, the Government will also inform IBM of the date such machine upgrade or downgrade is installed. Any change in Graduated Charges associated with the new Group will be as described in paragraph F below and will become effective when such machine or upgrade is installed.

F. When the Government changes or upgrades the Designated Machine to a machine in a Group with higher charges, the applicable Group Upgrade Charge will be paid by the Government. Prices for processor Group to Group upgrades and Non-MOSP to MOSP upgrades are calculated by taking the delta between the two current GSA prices. When the Government changes or downgrades a Designated Machine to a machine in a Group with lower charges, any Graduated Charges due or previously paid for that higher Group will not be adjusted or refunded.

5.9.4 Growth Opportunity License Charge (GOLC)

Growth Opportunity License Charges ("GOLC") are available only for Programs which are used on a Machine listed in "IBM System 370, System 390 and zSeries Machines" table or in the "Non-IBM Machines" table provided in the referenced website. However, GOLC may not be available for all Programs used on a listed Machine. If Graduated Monthly License Charges are available for Programs for which GOLC are not available, then a default charge applies which is equal to the Basic Graduated Monthly License Charge for the Machine Group indicated.

GOLC Category	Default Charge Equal to Basic Charges for:
H30	Group 20
H50	Group 50
H70	Group 70

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Increases in any S 370, S 390 and zSeries Program GOLC or default charges, due to changes in the Category placement for any Machine that they are licensed to, will be in effect for a minimum period of one month. For Product Information for IBM System 370, System 390 zSeries and Amdahl non-IBM machines can be found at http://www.ibm.com/zseries/library/swpricerpt/ (See Machines with GOLC in the Group column).

5.9.5 Measured Usage License Charge (MULC) Option

(Withdrawn effective 1 1 99).

Government customers currently under MULC for which there is no S 390 Usage Pricing option, or OS 390 Version 2 is not installed, may continue under the MULC offering beyond 1 1 99. Products installed, including upgrades to a new version, after 1 1 99, cannot be added to MULC. IBM's latest offering is S 390 Usage identified elsewhere in this SIN.

Measured Usage License Charge (MULC) is an alternative software charging offering. MULC is a periodic charge for specific licensed programs running on eligible versions of MVS ESA. The periodic charges are monthly and the offering is subject to those terms and conditions contained in this contract.

Since the prices of MULC are contingent upon the installation of a software license and the Government's measuring and reporting of program usage, all initial orders for a recurring software license must be placed as monthly license charge. After the license is installed and usage measured as identified in the section entitled Initial Billing Period, below, Government customers paying a monthly periodic charge may convert to MULC. Such licenses will then become subject to the terms and conditions of MULC. Initial orders for Batchpipes MVS should be placed at a funding level consistent with Tier 6. A subsequent delivery order modification should be made after the initial measurements have been completed and the proper charge established.

No conversions are permitted from Federal License Payment Plan (FLPP) to MULC.

If MULC is selected, all functions of the license must be on the MULC offering.

All MULC licenses carry the entitlements of a Basic License. No DSLO or MOSP pricing options are available.

Measurement Recording

By issuing an order to convert from MLC to MULC, the Government is agreeing:

A. To use, unmodified, the measurement function, provided in the operating system Program, or as a temporary program fix, and

B. To use, unmodified, the reporting function, which is provided in the IBM Usage Software Report Program, provided AS IS, and

C. Not to alter the records collected by the measurement or reporting function.

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Determining Measured Usage License Charges

Program usage is measured in machine service units called CPU Service Units (CPU SUs) or gigabytes (GB) (for Batchpipes MVS). The monthly MULC is determined by applying the CPU SU GB measurement for a Program to a charge established for a range of measurements identified as a usage band. Usage bands are identified in Appendix K.

When multiple versions of a Program are being used on a machine, the usage band is determined by:

1. Aggregating the CPU SUs GBs consumed by all the versions eligible for MULC, and

2. Applying the aggregated CPU SU GB measurement to the charge applicable to the latest version of the Program installed on the machine.

Single Version Charging, as described in Appendix L and elsewhere in this SIN, does not apply under MULC.

Measurements recorded during IBM's normal test allowance period are disregarded in determining Program usage.

If the Government adds a new version of a Program during a billing period, charges will be based on the charge for the latest version, following any applicable test allowance period.

Initial Billing Period

To convert from MLC to MULC, the Government further agrees to:

A. Activate the measurement function and IBM Usage Software Report Program, and run them for one month (contiguous days) against all copies of an eligible program. This month need not coincide with a calendar month boundary, and

B. Continuously run the measurement function throughout the initial and subsequent billing periods, and

C. Provide IBM with the CPU SU GB measurements report created by the IBM Usage Software Report Program within 10 business days after the measurements are completed. Measurements are completed twice:

Initially at the end of one month as identified above, and

Within 10 business days after the end of the initial billing period. This measurement will cover the billing period as described below:

1) 1 thru 9 30 for a program on MULC for the entire prior fiscal year, or

2) The entire billing period for a program converted after 10 1 of the prior fiscal year; i.e., the measurement report for a program converted 6 1 will cover the period 6 1 through 9 30.

To establish the CPU SU/GB measurement, IBM will:

A. Determine the highest daily usage of the Program, which is the highest of 24 hourly CPU SU GB measurements recorded each day, and

B. Determine the highest monthly usage of the Program, which, for MULC, is defined as the fourth highest daily CPU SU GB measurement recorded for the month. This is the measurement used to determine the usage band, and

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C. Upon commitment to convert to MULC, evidence of which shall be a written order specifying MULC for the identified Program, including serial number, charges will commence on the first day of the calendar month in which CPU SU GB measurement and recording is completed.

The initial billing period shall be defined as the period commencing on the conversion date and ending on the last date of the contract period, generally the end of the Government's fiscal year. The initial billing period must commence on or before August 1 of the fiscal year.

When the Government's data collection period begins after August 1, and the customer chooses to convert to MULC, the effective date for conversion will be 10/1 of the subsequent fiscal year, and the usage band will be based on the highest monthly usage on the measurement report.

Renewal Billing Periods

The highest monthly CPU SU GB measurement for the prior billing period as described above (Initial Billing Period (C)(2)(b) will be the basis for establishing charges for subsequent billing periods.

The Government may end participation in this offering at the end of each fiscal year. If participation is ended (converted to MLC, PSLC/MLC), the Government may not resume participation in this offering for six months. If the Government wishes to convert back to this offering after a minimum of six months, the MULC will be based on the CPU SU GB measurements report, provided by the Government, for the period from which the Government was last on the MULC offering, up to a maximum period of 12 months. In any event, such conversion back to MULC may not occur after $ 1 of the fiscal year.

IBM reserves the right to convert the charges for the Program to MLC if the Government fails to provide IBM with the CPU SU GB measurements report within the specified time period.

5.9.6 Parallel Sysplex License Charge (PSLC)

Parallel Sysplex License Charges are available for selected System 390 Programs when these Programs are designated to

A. Parallel Sysplex single machine environment (no coupling required) or;

B. A Parallel Sysplex actively coupled environment - for two or more machines.

Programs licensed with PSLC prices qualify as a basic license; no DSLO pricing is available with PSLC.

However, a basic PSLC license can serve as the basic license upon which other DSLO licenses may operate.

MOSP is not available with PSLC.

The pre-requisite hardware and software products and requirements for being actively coupled, which may qualify a Government user for PSLC pricing are identified on Appendix L.

The PSLC charging option is available as a continuous, monthly charge.

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Parallel Sysplex License Charges for machines in a Single Machine Environment (PSLC E) are available only for Programs which are used on a Machine listed on the website.

If a Program with PSLC E charges is licensed for use on an IBM Machine not listed below, the charges will be based on twice the highest MSU rating listed.

Increases in any S/370, S/390 or zSeries Program PSLC E charges, due to changes in the MSU rating for any Machine that they are licensed to, will be in effect for a minimum period of one month.

You must be operating MVS or OS/390 V2 or z/OS on the Machine.

Programs are not eligible for Parallel Sysplex License Charges - Single Machine Environment, unless approved by IBM, if:

1. Workload License Charges (WLC) are available for the Program, and

2. The Program is licensed to an Eligible Machines listed on Appendix M, and

3. z/OS is also licensed to the same Eligible Machine.

For Product Information for IBM System/370, System/390, zSeries Machines, Amdahl and Hitachi Data Systems refer to the following website:
http://www.ibm.com/zseries/library/swpricemfo (See Machines with PSLC = Yes or PSLC = Single in the PSLC column)

Government responsibilities:

The Government shall promptly notify IBM:

1. When it has an actively coupled Parallel Sysplex environment.

2. If the Parallel Sysplex environment ceases to be actively coupled. In such case, charges will revert to IBM's generally available recurring charges; and

3. If the Government adds or removes machines from the environment. In such cases, the PSLC will be adjusted.

5.9.7 Indexed Monthly License Charge (IMLC)

Indexed monthly license charges are provided for selected System/390 Programs. These charges are based on the total capacity of the machine on which such Programs will be used, as measured in millions of CPU service units (called "MSU") per hour. Such charges apply to any System/390 or compatible machine with a capacity greater than 80 MSU's, not eligible for Parallel Sysplex license charges. If any System/390 Program has a use-based charge, the Government may elect that charge in lieu of IMLC.

Programs licensed with IMLC prices qualify as a basic license; no DSLO pricing is available with IMLC. However, a basic license can serve as the basic license upon which other DSLO licenses may operate.

MOSP is not available with IMLC.

The IMLC charging option is available as a continuous, monthly charge.

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For System/390 Programs running on machines (1) not listed in the IMLC exhibit, (2) not listed in a machine group eligible for variable charges, or 3) for which no MSUs have been established, IBM shall charge the IMLC for 200 MSUs.

The Government shall be responsible to:

A. Promptly notify IBM of the date of a change in, or alteration to, the machine that affects the capacity of that machine; and

B. Contact IBM to obtain the applicable charge for System 390 Programs that do not have an IMLC, but will be designated to a machine listed in the IMLC Exhibit.

Programs are not eligible for Indexed Monthly License Charges, unless approved by IBM, if: 1) Workload License Charges (WLC) are available for the Program, and 2) the Program is licensed to an Eligible Machine listed on Appendix M, zSeries Workload License Charges, and 3) z OS is also licensed to the same Eligible Machine.

The current product information for eligible IBM machines, Hitachi Data Systems, and Amdahl Corporation may be found at http://www.ibm.com/zseries/library/swprice/info.

5.9.8 S/390 New Application License Charge

To be eligible for New Application License Charges, the Government must have a zSeries, a S/390, or equivalent machine installed and dedicated to server consolidation of Unix or NT platform print or file server workloads or to one or more of the following qualifying applications (called "Qualifying

Application(s)"):

1. Lotus Domino
2. Net.Commerce
3. Payment Server
4. Payment Gateway
5. WebSphere Payment Manager
6. Intelligent Miner for OS 390
7. SAP
8. PeopleSoft
9. Baan ERP
10. Oracle Applications for OS 390
11. DB2 OLAP Server for OS 390
12. WebSphere Application Server for OS 390 or z OS
13. Siebel
14. WebSphere Commerce

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15. Lawson ERP Applications

16. Intelligent Miner for Data for OS 390

NOTE: Programs running on z800 (IBM 2066) or Multiprise 3000 (IBM 7060) Machines or their equivalents are not eligible for New Application License Charges.

Eligibility for New Application License Charges is limited to the following IBM Programs and features (called "Eligible Programs"):

1. OS 390 Version 2 (5647-A01)

   Base

   RMF Feature

   SDSF Feature

   DFSORT Feature

   C ++ w Debug Feature

   Security Server Feature

   DFSMS DSS HSM RMM Feature

   DFSMS DSS HSM Feature

   DFSMS RMM Feature

2. z OS V1 (5694-A01)

   Base

   RMF Feature

   SDSF Feature

   DFSORT Feature

   C ++ w Debug Feature

   Security Server Feature

   DFSMS DSS HSM Feature

   DFSMS RMM Feature

   DFSMS TVS feature

3. Lotus Domino for OS 390 Version 5 Release 5 (5655-B86)

The New Application License Charge is a monthly charge that is based on the published MSU rating of the Processor on which the software is licensed.

The Government agrees to promptly notify IBM at any such time that the machine ceases to be dedicated to server consolidation or to one or more of the Qualifying Applications.

IBM may request verification in writing that the Government still meets the eligibility criteria specified above. At any such time that the eligibility criteria, as stated above, is not met, the New Application License Charges will be terminated and the then current monthly license charge will immediately apply.

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Eligible programs do not qualify as Basic licenses for additional DSLO licenses.

Upgrades and Downgrades:

Upgrades to an eligible processor will result in an increase in the New Application License Charges.

Downgrades to an eligible processor will result in a decrease in the recurring charge.

License Redesignation:

The Government must promptly notify IBM if the eligible Program is redesignated to another machine. New Application License Charges will terminate and then current license charges will immediately apply.

5.9.9 S/390 Usage Pricing Charges

S/390 Usage Pricing is designed to offer a pricing structure similar to PSLC with improved entry level prices and enhanced granularity. S/390 Usage Pricing is a monthly recurring charge which applies to selected System/390 Programs. To qualify for Usage Pricing, the eligible program must be running on a Machine or in a qualified Parallel Sysplex (R) where OS/390 Version 2 or later is running in at least one LPAR partition on the Machine or in the Parallel Sysplex. For each selected Program (Program "Base," where multiple "Bases" of a Program are eligible) the Government may elect a S/390 Usage Pricing Charge or any other applicable recurring charge.

Machines or Parallel Sysplexes running OS/390 Auto UNIX do not qualify for S/390 Usage Pricing Charges as OS/390 Auto UNIX is a pre-configured UNIX-only system without the ability to activate the usage measurement function.

1. Measurement Recording:

Program usage will be measured as specified in the Exhibit for S/390 Usage Pricing Charges. To measure and record measurement data, the Government agrees to use, unmodified on all MVS/ESA, OS/390, z/OS and z/OS.e LPARs on the Machine for which the Program is licensed and on all Machines which are actively coupled to that Machine in a Parallel Sysplex, 1) the usage measurement function, which IBM provides in the operating system Program and 2) a reporting function, which IBM provides in the IBM Software Usage Report Program. The Government agrees not to alter 1) the records collected by the usage measurement function; 2) the IBM Software Usage Report Program, except for changes provided by IBM; or 3) the Software Usage reports, generated by the Software Usage Report Program, which the Government will provide to us.

2. Billing Periods

The Government's billing period is the fiscal year. However, IBM will permit the initial billing period to be less to allow for fiscal year alignment.

To establish the usage for a billing period, using the measurement function IBM provides we identify your:

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A. Highest daily usage of a Program, which is the highest of 24 hourly measurements recorded each day;
and

B. Monthly usage of Program, which is the fourth highest daily measurement recorded for a month.

The Government agrees to:

A. Run IBM's usage measurement function throughout initial and subsequent billing periods on all MVS ESA, OS 390, z OS and z OS.e LPARs on the Machine for which the Program is licensed and on all Machines coupled to that Machine in a Parallel Sysplex;

B. Reinitialize all copies of DB2 after the usage measurement function has been activated, whenever DB2 usage is being measured for S 390 Usage Pricing Charges; and

C. Provide IBM with a Software Usage Report generated by the Software Usage Report Program for (1) each machine not in a Parallel Sysplex, (a separate report for each Machine) and (2) all Machines which are actively coupled in the same Parallel Sysplex (a separate report for all Machines within a Parallel Sysplex, i.e., a separate report for each Parallel Sysplex). The Government must provide these Software Usage Reports within ten business days after the usage measurements are completed one month prior to the end of each billing period.

Initial Billing Period

To establish the measurement for the initial billing period, the Government will run the usage measurement function for two months (contiguous days) against all copies and version of an eligible Program. These months need not be calendar months. The Government must start the measurement period on a day when the eligible Program is running on the Machine and run the usage measurement function on all MVS ESA and OS 390 LPARs on the Machine or Parallel Sysplex.

The higher monthly usage of the initial two-months determines the Government's monthly S 390 Usage Pricing Charge for the fiscal year.

The initial billing period begins on the first day of the calendar month in which usage measurement is completed.

Transitioning from MULC

The highest monthly usage, derived from the preceding Measured Usage License Charge (MULC) billing period (including one month before that billing period and excluding the final month of the billing period), will be used to determine the Government's monthly S 390 Usage Pricing Charge when transitioning a Program under MULC to S 390 Usage Pricing Charges.

Subsequent Billing Periods

The Government agrees to provide the Software Usage Report for the billing period within the first ten business days of the final month of the previous billing period.

The highest monthly usage measured for the initial billing period (excluding those recorded in the final month) will be the basis for establishing charges for the second billing period. For subsequent billing periods, the highest Monthly Usage measured for the prior 12 months, starting one month earlier than the previous billing period, will be the basis for establishing charges

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In the last month of a billing period, IBM will review your usage of a Program and calculate a new S/390 Usage Pricing Charge, if appropriate. A new S/390 Usage Pricing Charge would apply at the start of the next billing period.

3. Determining the S/390 Usage Pricing Charge

The Government's monthly S/390 Usage Pricing Charge is determined by the monthly "Usage Level(s)". Usage Levels correspond to the Usage Range(s), specified in Appendix N which are determined by the Government's monthly usage (as reported by the usage measurement function IBM provides).

If the Government is using multiple versions (or copies) of a Program on a Machine, IBM will 1) use the aggregated usage provided on the Software Usage Report to represent the usage consumed by all the version (copies), and 2) apply this aggregate usage measurement to the charge applicable to the latest version of a Program installed on that Machine. At least one version of the Program must be listed on Appendix P as a Program for which S/390 Usage Pricing Charges by service units ("SUs") are available.

If the Government is using a Program in an actively coupled Parallel Sysplex environment, IBM will 1) aggregate the usage across all of the Machines in the Parallel Sysplex and 2) apply this aggregate usage to the charge applicable to the latest version of a Program installed on those Machines.

4. General

In determining the Government's usage of a Program, the earlier versions of which are already subject to S/390 Usage Pricing Charges, IBM will disregard measurements recorded during an applicable testing period, if any, if you so indicate on the Software Usage Report. If the Government adds a new version of a Program during a billing period, charges will be based on the charge for the latest version.

The charge for a Program will revert to the applicable recurring charge if the Government 1) fails to provide IBM the Software Usage Report within the specified time period or 2) at the end of a billing period, or the end of the Government's participation in this offering. In either event, the Government may not resume participation for that Program. If the Government wants to resume participation, the S/390 Usage Pricing Charge will be for 12 months based on the Software Usage Report provided to us for the preceding 12-month period. If a Program was terminated from participating in MLC for either of the above reasons, a 12 month period applies before the Program is eligible for S/390 Usage Pricing Charges.

5.9.10 SINGLE-VERSION CHARGING

The term "monthly charges" used herein means Monthly License Charges (MLC), Graduated MLC (GMLC), Parallel Sysplex License Charges (PSLC), Growth Opportunity License Charges (GOLC), Annual License Charges (ALC), zSeries Entry License Charges (zELC), Workload License Charges (WLC), and any other month recurring charge.

Single Version Charging (SVC) indicates that monthly, annual or processor group upgrade changes will be waived for a period of 12 months for this predecessor program only while in the process of migrating to the replacement program. When there is no replacement program

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specified, if a replacement program becomes available, the predecessor program will then be eligible for SVC. Appendix I contains a listing of qualifying programs.

The waiver will start when charges become due on the replacement program. The replaced program must be operating on the same designated machine where the replacement program is in regular operation. Single Version Charging must be requested by the Government when ordering the new version. Monthly or processor group upgrade charges for a replaced program will commence or become due if the replaced program is operating on a different designated machine from the replacement program, if regular operation of the replacement program is terminated, or upon discontinuance of the replacement program.

Clarifications to SVC under aggregation and changes to SVC when operating under Sub-Capacity are as follows:

1. In the case where a machine is part of a sysplex, if the Government is actively migrating from a program to a designated replacement program on the one machine, all machines upon which the program runs in the sysplex may also have the replacement program licensed. These machines will be deemed as actively migrating for SVC purposes.

2. Licenses where the MSU utilization of the replacement program is less than the MSU utilization of the replaced program qualifies for SVC.

3. When the replaced program and the designated replacement program are eligible for Sub-Capacity pricing, the new MSU valuation for the replacement program is now based on a combination of MSU values. The final replacement program charge is based on the lower of 1) the sum of MSU values for both programs, and 2) a predetermined maximum value. The predetermined maximum values vary based on different configurations:

For versions of z OS, use the full machines MSU capacity.

For programs other than versions of z OS:

1. Where z OS.e is not running on the machine, use the z OS MSU value.

2. Where z OS.e is running on the machine, use the sum of the z OS MSU value and the MSU capacity of the engine(s) where z OS.e is running.

When Full-Machine Capacity charges apply, charges for the replacement program are based on the MSU value at Full-Machine Capacity. For software programs in a sysplex where aggregation charges apply, the MSU value for each license is calculated as above per machine before totaling to calculate the aggregated MSU value. Standard aggregation rules apply.

The terms and conditions of this Special Item 132-33 remain in effect for the replaced product until the product is discontinued.

Single Version Charging is offered on mainframe software, for migration purposes only, and for a period not to exceed one year. Products in SVC status prior to 10/1/94 may remain in that status indefinitely provided migration activity is being pursued.

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5.9.11 zSERIES WORKLOAD LICENSE CHARGES - PRE-EUM

Definitions:

Eligible Machine	A Machine to which an Eligible Operating System is licensed. Any copies of Eligible Operating Systems that run on an Eligible Machine must run in z Architecture (64-bit) mode. Eligible Machines are specified on the zSeries Workload License Charges Appendix M of this Schedule.
Eligible Operating Systems	Operating Systems specified in the Appendix.
Full Capacity MSUs	The total capacity of an Eligible Machine as specified in the Appendix.
MSUs	Millions of Service Units per hour. Units of Workload capacity of an Eligible Machine.
Product LPAR Utilization Capacity	The highest number of MSUs utilized by the combined logical partitions (LPARs) in which a Variable Workload License Charges (VWLC) IBM Program runs concurrently during a Reporting Period. The number of MSUs is based on a 4-hour rolling average utilization.
PSLC Option	An exception which permits, in certain cases, selection of Parallel Sysplex License Charges (PSLC) when WLC would otherwise be required.
Reporting Period	The period which begins on the second day of a month and ends on the first day of the following month.
Sub-Capacity Pricing	WLC for VWLC IBM Programs based on less than Full Capacity MSUs.
Sub-Capacity Report	A report generated by the IBM-provided Sub Capacity Reporting Tool. The tool analyzes SMF data and calculates the Product LPAR Utilization Capacity for most VWLC IBM Programs. The Sub Capacity Report includes these calculations. The Government is required to submit the report to IBM only if Sub-Capacity Pricing is in effect.
WLC	Workload License Charges available for selected IBM Programs which are used on an Eligible Machine and are running under an Eligible Operating System. WLC allow for Sub-Capacity Pricing.

1. Charges

1. When an Eligible Operating System is licensed to an Eligible Machine, each IBM Program licensed to that Machine must be subject to WLC, if available, unless the Government has elected the PSLC Option described within this SIN.

2. When Flat Workload License Charges ("FWLC") apply to IBM Programs, charges are a fixed monthly charge.

3. When VWLC apply to IBM Programs:

New licenses are charged on a Full Capacity MSU basis until the Government submits the initial Sub-Capacity Report. Note: This data may be gathered during a Program's test period;

Monthly charges are based on the number of MSUs defined in the Program's Sub-Capacity Report for the specified Machine during the Reporting Period that begins on the second day of the prior month. This value corresponds to the Product LPAR Utilization Capacity or, on a non-partitioned Eligible Machine, must equal the Full Capacity MSUs. If Sub Capacity Pricing is not in effect, monthly charges are based on Full Capacity MSUs;

VWLC features have the same MSUs as the Program.

For native z/OS LPARs, the number of MSUs associated with an LPAR is equivalent to the highest observed rolling 4-hour average utilization in a Reporting Period. The Government may manage native z/OS LPAR utilization by explicitly specifying the defined capacity of the

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LPAR(s) on the Hardware Management Console ("HMC"). However, this is not required to obtain Sub Capacity Pricing benefits. If the Government chooses to specify the capacity of the LPAR(s), the Sub-Capacity Reporting Tool will use the lower of the specified capacity or the 4-hour rolling average utilization in order to determine the Product LPAR Utilization Capacity for each Program. For non-native z OS LPARs (i.e., z OS guests of VM), the number of MSU's associated with an LPAR is equivalent to the maximum MSU capacity of the LPAR;

If an OS 390 or MVS operating system is licensed to the same Eligible Machine, then charges are based on Full Capacity MSUs; and

The capping function in the Eligible Operating System is used to ensure the workload does not exceed the LPAR defined capacity on a rolling four hour average. To achieve this, the capping function may automatically reduce and limit computer resources to workloads running in that LPAR. By defining the LPAR capacity, the Government authorizes the capping function to cap the computer's resources as defined.

4. When aggregated VWLC apply to IBM Programs, aggregated charges:

Are available only for Programs used on an Eligible Machine in a Parallel Sysplex.

Are based on the sum of the MSU's on the Sub-Capacity Reports that the Government submits to IBM for each copy of a Program installed on qualifying Eligible Machines in a Parallel Sysplex. If Sub-Capacity Pricing is not in effect, aggregated charges are based on Full Capacity MSU's.

Require two or more Eligible Machines actively coupled using the applicable coupling links and Coupling Facility specified in the Appendix.

To be actively coupled, the following criteria must be met:

All machines in the Parallel Sysplex must be physically attached via coupling links to a common Coupling Facility and via timer links to a common sysplex timer.

If a Coupling Facility is divided into multiple logical partitions (LPAR's), all machines must be attached to the same Coupling Facility LPAR.

All Eligible Operating System images that comprise the Parallel Sysplex environment must have at least one common Systems Enablement Function, specified in the Appendix, activated to use the Coupling Facility across all images in the Parallel Sysplex.

The configuration and operating modes described in this Attachment must be the normal mode of operations for this environment.

A machine can only be in one Parallel Sysplex for pricing purposes. The Eligible Operating System images participating in the Systems Enablement Function(s) must account for at least 50% of the total Eligible Operating System workload on each Eligible Machine.

In the event there are two LPARs, each 50% of the total Eligible Operating System workload, connected to two Parallel Sysplexes, the Government may select which Parallel Sysplex the Eligible Machine will be included in for billing.

2. IBM's Responsibilities

IBM will:

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Specify

The Eligible Machines and their Full Capacity MSUs,

The applicable Coupling Facilities, c) Eligible Operating Systems

Systems Enablement Functions, and

The date and the e-mail address for transmitting Sub-Capacity Reports to IBM;

Provide the Sub-Capacity Reporting Tool;

Adjust VWLC in response to the changes the Government indicate on the Sub-Capacity Reports submitted; and

Register Eligible Machines when the Government submits the initial Sub-Capacity Reports.

3. Government's Responsibilities under Sub-Capacity Pricing

Promptly install any enabling code for Programs or IBM zSeries 900 ("z900") Licensed Internal Code (LIC) required for Sub-Capacity Pricing;

Collect, and retain for a period of not less than six months, the SMF data records for all LPARs, by Machine, required by the Sub Capacity Reporting Tool for each Reporting Period;

Run the Sub-Capacity Reporting Tool against the collected SMF data to produce a Sub-Capacity Report. Update the Sub Capacity Report with the Product LPAR Utilization Capacity MSUs for any Program for which the required SMF data cannot be collected. If there have been special circumstances during the Reporting Period, the Government may also provide alternate values, as defined in the SCRT Users Guide (SG24-6522), for each Program with an explanation for the variance.

Send to IBM within the time specified in the Appendix,

The initial Sub-Capacity Report that is based on the data for the entire initial Reporting Period for each Eligible Machine that you wish IBM to register for Sub-Capacity Pricing; and

Subsequent Sub-Capacity Reports that are based on the data for each entire Reporting Period thereafter, for each registered Eligible Machine.

Sub-Capacity Reports may not be used to order or discontinue licenses, move licenses between Machines, report Machine model upgrades, and enable or disable Program features.

Both IBM and the Government agree that Sub-Capacity Reports that reflect a changed Product LPAR Utilization Capacity will be considered to be orders placed by you, and you authorize IBM to make any resulting billing increase or decrease. Sub Capacity Reports not submitted by the "not later than" date specified in the Appendix will result in Programs being charged on a full Capacity MSU basis for the Reporting Period;

The Government is responsible for monitoring funding allocated on their current Order or Contract and issuing Modifications whenever the result of increases and or decreases in charges exceed such allocated funding. A Modification may also be required for line item changes, if required by the ordering agency. The Government is responsible for paying invoices for all monthly usage.

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Configure the Government's Machine to send weekly to IBM Transmit System Availability Data ("TSAD") weekly to IBM via the Remote Support Facility ("RSF"). This enables IBM to verify that the Product LPAR Utilization Capacity MSU's in the Sub Capacity Reports submitted to IBM are consistent with the Government's actual machine configuration. An alternate means for the Government to collect and transmit this data is provided in the "z OS Planning for WLC" publication. Failure to submit TSAD may result in Programs being charged on a Full Capacity MSU basis;

Assign a person in your organization with authority to discuss and promptly resolve any questions on Sub-Capacity Reports or inconsistencies between Sub-Capacity Report contents or current license entitlement, and configuration data reported via the RSF; and

Notify IBM if the Government elects to convert from Sub-Capacity Pricing to WLC at Full Capacity MSU's.

During the period Sub-Capacity Pricing remains in effect, and for six months thereafter, IBM has the right to review the system data used to prepare the Sub-Capacity Reports for the previous six months. The review will be on the Government's premises, at our mutual convenience, during your normal business hours and in a manner that minimizes disruption to your business. IBM may use an independent auditor for this with your prior approval which you will not unreasonably withhold. If you wish the review to occur off your premises, you may send the system data to IBM.

The Sub-Capacity Reports must be transmitted to IBM on the second, but not later than the ninth, calendar day of the month. The e-mail address for transmitting the Reports is [illegible].

5.9.12 Workload License Charges Transition Program - Parallel Sysplex

Definitions

Transition Sysplex - Machines in an interconnected Parallel Sysplex that would qualify for Workload License Charges ("WLC") aggregation if the MVS-based operating system images in the machines were all z/OS. These machines are specified in a supplement ("Supplement"), one Transition Sysplex per Supplement. WLC aggregation is defined in the terms above for Workload Charges.

Qualified Programs - The IBM recurring charge Programs licensed to the machines which are in a Transition Sysplex.

Ceiling Charge - The total of the Parallel Sysplex License Charges ("PSLC") or other standard charges of all Qualified Programs that would be in effect if none of the Transition Sysplex machines qualified for WLC.

Alternate Charge - A single alternate monthly charge that is the total of the charges for all Qualified Programs in a Transition Sysplex during your migration from PSLC and other charges to WLC. The Alternate Charge will be equal to or less than the total charge that would otherwise be in effect without the Transition Program.

MSUs - Millions of Service Units per hour. Units of workload capacity of a zSeries or earlier Machine.

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Billing Period - The interval at which Alternate Charges are billed. This interval is three calendar months. However, if the Transition Program begins after the first calendar day of the month, the duration of the first month of the initial Billing Period will be reduced accordingly.

The Workload License Charges Transition Program - Parallel Systems ("Transition Program") provides an Alternate Charge for each Transition Sysplex to offset a temporary increase in the Government's recurring license charges that results from reduced PSLC aggregation. During the Transition Program, the Government will receive an Alternate Charge for each Billing period.

General Terms

A Transition Sysplex is eligible for a Transition Program only when a zSeries 900 machine ("z900") has WLC and is interconnected with other zSeries (z900s or zSeries 800 machines ("z800") or earlier machines in the Transition Sysplex. In addition, the Transition Sysplex must consist of at least two non-z800 machines.

The Transition Program for a Transition Sysplex starts with the date of installation of z OS on the first z900 machine in a Parallel Sysplex.

The Transition Program for a Transition Sysplex ends the earlier of

1. 36 months from the start date;

2. When there are no z900s in the Transition Sysplex;

3. When there are no machines running z OS in the Transition Sysplex; or

4. When the Ceiling Charge no longer applies AND all of the machines in the Transition Sysplex are either:

   Z900s running z OS or

   A combination of z900s running z OS and z800s running z OS, z OS.e, or both.

Once the Transition Program for a Transition Sysplex ends, it may not be restarted. If a Transition Program is stopped for the purposes of converting from WLC to PSLC, and subsequently converting back to WLC, the Transition Program may be restarted but only one time and only for a maximum of an additional 36 month period. In such event, the Ceiling Charge option (Step 1 below) will not apply.

Alternate Charges

At the start of each calendar quarter, during the Transition Program, IBM will calculate a total charge for all Qualified Programs as follows (Note: the initial quarter will be shortened to align with a calendar quarter, if applicable):

IBM will determine:

1. Immediately prior to the start of the Transition Program, as well as the start of each calendar quarter, the Ceiling Charge, a non-WLC charge, which is calculated as if the Qualified Programs were aggregated (Step 1);

2. Changes in charges based on WLC implementation (Steps 2-6); and

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3. Reduced charge opportunities based on VWLC implementation and the Ceiling Charge (Steps 7-11).

Billing Period Calculation of Alternate Charge (Steps 1-11)

Note: z800s with zSeries Entry License Charges (zELC) are not considered eligible or qualified for WLC. ZELC charges are used in all of the calculations below until the charges are converted to WLC. For Programs running on z800s, charging terms, including the use of Logical Models, are defined in terms for zSeries 800 License Charges.

IBM will:

1. Calculate the total monthly charge that would be in effect if none of the Transition Sysplex machines qualified for WLC, i.e., the Ceiling Charge, using

- PSLC, Extended License Charges (ELC), Usage License Charges (ULC), prorated Annual License Charges (ALC), Graduated Charges or other standard charges. Note: ULC for a Program will be included in the calculation only when that Program had ULC at the time of the installation of the zSeries machine. In this event, you must continue to collect the usage date and to submit the Software Reports to IBM in accordance with the Attachment for S/390 Usage Pricing Charges. The ULC provisions in this step apply only when the Ceiling Charge is available. Otherwise, PSLC must be used in place of ULC;

The applicable full machine capacity MSU values for each machine;

Single Version Charging waivers, if qualified; and

z/OS instead of MVS or OS/390.

A per engine charge for z/OS.e.

2. Calculate the total monthly charge that would be in effect if all of the Transition Sysplex machines qualified for WLC using

- The full machine capacity MSU values for each machine and

z/OS instead of MVS or OS/390.

A per engine charge for z/OS.e.

3. Calculate the result of a complete transition to WLC at full machine capacity MSUs by subtracting the result of Step 2 from the result of Step 1.

4. Calculate the percentage to which you have transitioned to WLC by dividing the total of the full machine capacity MSUs for those zSeries machines which are eligible for WLC by the total of the full machine capacity MSUs for all machines in the Transition Sysplex.

5. Calculate the updated charges based on the percent of transition to WLC by multiplying the result of Step 3 by the result of Step 4.

6. Subtract the result of Step 5 from the result of Step 1.

7. Calculate the total monthly charge for all VWLC Programs that would be in effect if all of the Transition Sysplex machines qualified for WLC, using

- Full machine capacity MSU values and

z/OS instead of MVS or OS/390.

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A per engine charge for z OS.e.

8. Calculate the total monthly charge for all VWLC Programs that would be in effect if all of the Transition Sysplex machines qualified for WLC, using

Full machine capacity MSU values on non zSeries machines;

The zSeries Machines' MSU data the Government provides in the Sub-Capacity Reports submitted to IBM. However, full machine capacity MSU values will be used if they are the basis for VWLC; and

z OS instead of MVS or OS 390,

A per engine charge for z OS.e.

9. Calculate the savings derived from migrating to VWLC by subtracting the result of Step 8 from the result of Step 7.

10. Reduce the monthly charge by subtracting the result of Step 9 from the result of Step 6.

If any z900 machine in the Transition Sysplex has fewer MSUs than a zSeries Type 2064 Model 102, the result of this step is used as the Alternate Charge for the quarter and Step 11 is omitted.

11. Invoice the Government the lesser of the Ceiling Charge calculated in Step 1 or the results of WLC implementation represented by the result of Step 10. However, once the result of Step 10 is less than or equal to the Ceiling Charge, or after December 31, 2003, the Ceiling Charge option will no longer be available. All subsequent charges will be those derived in Step 10.

IBM Responsibilities

IBM will:

1. Initiate a Supplement or price table for each Transition Sysplex the Government has identified to IBM;

2. Prior to the start of the Transition Program for each Transition Sysplex, send the Government a listing of Qualified Programs which IBM's records indicate are licensed to the machines in that Transition Sysplex ("Inventory of Programs");

3. Update a Supplement in accordance with your notification of changes to information regarding machines specified in a Supplement;

4. Calculate the Alternate Charge each quarter for each Transition Sysplex based on the inventory of Programs, changes that the Government has made to that Inventory, and the current Transition Sysplex configuration;

5. Substitute the Alternate Charge for the then current charges of the Qualified Programs for each Transition Sysplex; and

6. Send the Government an updated Supplement or price table with any machine changes and the Alternate Charge for the quarter.

Government Responsibilities

At the beginning of the Transition Program for each Transition Sysplex, the Government agrees to:

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1. Identify to IBM the machines comprising each Transition Sysplex and

2. Review the Inventory of Programs, promptly notify IBM of any disagreements; and promptly issue IBM a delivery order.

During the Transition Program for each Transition Sysplex, the Government agrees to:

1. Promptly notify IBM of changes to information regarding machines specified in the applicable Supplement or price table and

2. Review each updated Supplement or price table and promptly notify us of any disagreements.

3. Monitor funding allocated on the current Order or Contract and issue Modifications whenever the result of increases and or decreases in charges exceed such allocated funding. Modifications may also be required for line item changes, if required by the agency. The Government is responsible for paying invoices for all monthly usage.

5.9.13 zSERIES 800 AND 900 SOFTWARE LICENSE CHARGES

The terms and conditions are for Programs running on an IBM eServer zSeries 800, zSeries 890, or equivalent machine (all of which may be referred to as a "z800" herein, unless otherwise specified), including terms for z/OS.e and Programs with zSeries Entry License Charges ("zELC"), Entry Workload License Charges ("EWLC"), or Tiered Workload License Charges ("TWLC"). When running on a z800, z/OS or z/OS.e must be running in z/Architecture (64-bit) mode.

1. Definitions

Full Capacity - EWLC pricing of Programs based on the total MSUs of the Machine

Full Logical Model Capacity - The total MSU capacity of the Logical Model.

MSUs - Millions of Service Units per hour. Units of Workload of a z800.

Product LPAR Utilization Capacity - The highest number of MSUs utilized by the combined logical partitions ("LPARs") in which an EWLC IBM Program runs concurrently during a Reporting Period. The number of MSUs is based on a 4-hour rolling average utilization.

Reporting Period - The period which begins on the second day of a month and ends on the first day of the following month.

Sub-Capacity - EWLC pricing of Programs based on less than the total MSUs of the Machine.

Sub-Capacity Report - A report generated by the IBM-provided Sub-Capacity Reporting Tool. The tool analyzes SMF data and calculates the Product LPAR Utilization Capacity for most EWLC IBM Programs. The Sub-Capacity Report includes these calculations. The Government is required to submit the report to IBM only if Sub-Capacity pricing is in effect.

ZSeries Software Pricing Website - http://www.ibm.com/zseries/library/swprice/info

2. LPAR Limitations - You may not use more than 15 LPARs on a zSeries 890 Model 110

3. Charges for Program running on a z800:

A. Logical Models

For determining the basis for certain software license charges, a z800 may be divided into

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two Logical Models, one running z/OS.e and the other running some other operating system(s). If the z800 is running only z/OS.e or is not running z/OS.e, then there is only one Logical Model and it is equal to the physical machine model. (Note: Integrated Facility for Linux ("IFL") engines are not part of Logical Models or the physical machine model.)

Logical Models may be calculated as follows:

- If the only charges for Programs on a z800 are zELC, a table illustrating the various Logical Model combinations may be found in the zSeries 800 and 890 Software License Charges Appendix.

- If a z800 is running a combination of z/OS.e with EWLC charges and some other operating system, the following steps are used to calculate the Logical Model:

You advise IBM of planned MSUs:

Within 30 days of the billing period start date for EWLC charges, you will advise IBM of the planned MSUs usage for both z/OS.e and for the non-z/OS.e Logical Model. The total planned MSUs must equal the total MSU capacity of the z800. To determine the total MSU capacity of each z800 model, see the zSeries Software Pricing Website.

- IBM to calculate Logical Model sizes:

IBM will calculate the Logical Model sizes for zELC Programs by selecting the Logical Model with an MSU rating that equals your planned z/OS.e MSU usage, or the next higher Logical Model if you planned z/OS.e MSU usage exceeds the MSU rating for a Logical Model. IBM will similarly calculate the non-z/OS.e Logical Model using non-z/OS.e MSUs.

IBM will calculate the appropriate tier for TWLC programs based upon your planned z/OS.e MSU usage. IBM will similarly calculate the non z/OS.e tier using the non-z/OS.e MSUs.

Changing Logical Models sizes:

If a z800 is upgraded or downgraded, or if you change the MSUs used for z/OS.e, you will be advise IBM of the new planned MSUs for both z/OS.e and non-z/OS.e. IBM will adjust the Logical Model accordingly.

- If MSU use is greater than the total MSU capacity of the z800:

In the event actual MSUs reported on a Sub-Capacity Report for both the z/OS.e and non-z/OS.e Logical Models exceed the total MSU capacity of the z800, IBM will reduce the z/OS.e MSUs so that the total MSUs do not exceed the total MSU capacity of the z800. However, the z/OS.e MSUs may not be reduced below 3 MSUs. If necessary, the non-z/OS.e MSUs will also be reduced so the total MSU capacity of the z800 is not exceeded.

This calculation will not impact zELC charges, only EWLC charges.

- Actual MSU use exceeds planned MSUs provided to IBM:

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If the Sub-Capacity Report shows that actual non-z OS.e MSU usage exceeded the planned MSU usage that you provided to IBM, IBM may adjust the size of the Logical Models accordingly. Both IBM and the Government agree that this will result in a billing increase and the Government agrees to pay such revised charges.

The Government is responsible for monitoring funding allocated on their current Order or Contract and issuing Modifications whenever the result of an increase in charges exceed such allocated funding. A Modification may also be required for line item changes, if required by the ordering agency. The Government is responsible for paying invoices for all monthly usage.

If the charges on a z800 are either aggregated Variable Workload License Charge ("VWLC") or aggregated Parallel Sysplex License Charges ("PSLC"), and a Program is running on only one of the Logical Models, the Full Logical Model Capacity for each Logical Model is defined as follows:

a. For a Program running in the Logical Model with z OS.e:

Divide the total number of MSU's in the machine by the number of engines in that machine;

multiply that result by the number of engines in the Logical Model;

if the result is not a whole number, any fraction equal to or greater than one-half is rounded up to the next whole number. Otherwise, fractions are dropped.

b. For a Program running in the Logical Model without z OS.e, subtract the MSU's calculated above from the total MSU's in the machine.

B. z OS.e Charges

z OS.e charge are based on the number of engines in the Logical Model in which z OS.e runs or on EWLC charges.

C. Aggregated Charges

Aggregated PSLC may apply if the machine is coupled in a Parallel Sysplex that has aggregated PSLC charges. Usage Pricing Charges may apply.

Aggregated Workload License Charges ("WLC") may apply if the machine is coupled in a Parallel Sysplex that has aggregated WLC charges.

Prerequisite terms within Workload License Charges (WLC) and Parallel Sysplex License Charges (PSLC) Items apply.

D. zELC Charges

zELC charges are based on the category of the Logical Model.

zELC charges are available for selected Programs used on machines that are identified in the "Group" column by "zELC", followed by the zELC category, on the zSeries Software Pricing Website.

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When zELC charges are not available for certain Programs, a default charge applies . It is specified on the zSeries Software Pricing Website for each applicable machine in the column called "Other".

If the Government selects zELC charges for any Program on a z800, then all Programs for which zELC charges are available must have zELC charges, unless EWLC charges are available for selected Programs. In this case those Programs may have EWLC charges.

Increases in any zELC or default charges for Programs, due to changes in the category or model placement for any machine to which the Programs are licensed, will be in effect for a minimum of one month

E. TWLC Charges:

TWLC charges are a tiered EWLC price structure and based on Full Logical Model Capacity. Sub-Capacity pricing is not available.

TWLC charges are available for selected Programs used on non-aggregated machines identified in the "Group" column by "TWLC" followed by the TWLC tier on the zSeries Software Pricing Website.

When TWLC charges are not available for certain programs, a default charge applies. It is specified on the zSeries Software Pricing Website for each applicable machine in the column call "Other."

If you select TWLC charges for any Program on a machine, then all Programs for which TWLC charges are available must have TWLC charges, unless EWLC charges are available for selected Programs. In this case those Programs must have LWLC charges.

Increases in any TWLC or default charges for Programs, due to changes in the tier placement for any machine to which the Programs are licensed, will be in effect for a minimum of one month.

F. EWLC Charges:

EWLC charges are based on Full Capacity or Sub-Capacity pricing.

EWLC charges are available only for selected Programs used on non-aggregated machines that are identified in the "Group" column by "EWLC" on the zSeries Software Pricing Website.

If you select EWLC charges for a Program on a z800, then all Programs for which EWLC charges are available must have EWLC charges. All other Programs on that machine must have zELC charges, if zELC charges are available, or TWLC charges, if TWLC charges are available

Full Capacity Pricing Terms: Increases in EWLC charges for Programs, due to changes in the model placement for any machine to which the Programs are licensed, will be in effect for a minimum of one month.

Sub-Capacity Pricing Terms

(i.) Sub-Capacity Charges:

New licenses are charged on a Full Capacity basis until you submit the initial Sub-Capacity Report

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Monthly charges are based on the number of MSU's defined in the Program's Sub-Capacity Report for the specified z800 during the Reporting period that begins on the second day of the prior month. This value corresponds to the Product LPAR Utilization Capacity or must equal Full Capacity. If Sub-Capacity pricing is not in effect, monthly charges are based on the Full Capacity.

EWLC features have the same MSU's as the Program

For native z OS and z OS.e LPARs, the number of MSU's associated with an LPAR is equivalent to the highest observed rolling 4-hour average utilization in a Reporting Period. You may manage native z OS and z OS.e LPAR utilization by explicitly specifying the defined capacity of the LPAR(s) on the Hardware Management Console ("HMC"). However, this is not required to obtain Sub-Capacity pricing benefits. If you choose to specify the capacity of the LPAR(s), the Sub-Capacity Reporting Tool will use the lower of the specified capacity or the 4-hour rolling average utilization in order to determine the Product LPAR Utilization Capacity for each Program.

For non-native z OS or z OS.e LPARs (i.e., z OS guests of VM) the number of MSU's associated with an LPAR is equivalent to the maximum potential MSU capacity of that LPAR.

If an OS/390 or MVS operating system is licensed to the same z800, then charges are based on Full Capacity.

The capping function in z OS or z OS.e is used to ensure the workload does not exceed the LPAR defined capacity you have specified on a rolling four hour average. To achieve this, the capping function may automatically reduce and limit computer resources to workloads running in that LPAR. By defining the LPAR capacity, you authorize the capping function to cap the computer's resources as defined.

(ii) IBM's Responsibilities:

IBM will:

- Specify in Appendix O the date and the e-mail address for transmitting Sub-Capacity Reports to IBM;
- Provide the Sub-Capacity Reporting tool;
- Adjust EWLC in response to the changes you indicate on the Sub-Capacity Reports that you submit; and
- Register z800s when you submit the initial Sub-Capacity Reports.

(iii) Government's Responsibility under Sub-Capacity Pricing:

You agree to:

- promptly install any enabling code for Programs or IBM @server zSeries Licensed Internal Code ("LIC") required for Sub-Capacity pricing

Collect, and retain for a period of not less than six months, the SMF data records all LPARs, by machine, required by the Sub-Capacity Reporting Tool for each Reporting Period:

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Run the most current version of the Sub-Capacity Report. Update the Sub-Capacity Report with the Product data to product a Sub-Capacity Report. Update the Sub-Capacity Report with the Product LPAR Utilization Capacity MSU's for any Program for which the required SMF data cannot be collected. If there have been special circumstances during the Reporting Period, you may also provide alternate values, as defined in the SCRT Users Guide (SG24-6522), for each Program, with an explanation for the variance;

Send to IBM within the time specified in Appendix Q

i. The initial Sub-Capacity Report that is based on the data for the entire initial Reporting Period for each z800 that you wish IBM to register for Sub Capacity pricing; and

ii. Subsequent Sub-Capacity Reports that are based on the data for each entire Reporting Period thereafter, for each registered z800.

Sub-Capacity Reports may not be used to order or discontinue licenses, move licenses between machines, report machine model upgrades, and enable or disable Program features.

Both IBM and the Government agree that Sub-Capacity Reports that reflect a changed Product LPAR Utilization Capacity may result in billing increase or decrease. The Government agrees to pay such revised charges. The Government is responsible for monitoring funding allocated on their current Order or Contract and issuing Modifications whenever the result of increases and or decreases in charges exceed such allocated funding. A Modification may also be required for line item changes, if required by the ordering agency. The Government is responsible for paying invoices for all monthly software charges. Sub-Capacity Reports not submitted by the "not later than" date specified in the Appendix will result in Programs being charged on a Full Capacity basis for the Reporting Period;

configure your machine to send Transmit System Availability Data ("TSAD") weekly to IBM via the Remote Support Facility ("RSF"). This enables IBM to verify that the Product LPAR Utilization Capacity MSU's in the Sub Capacity Reports you submit to IBM are consistent with your actual machine configuration. An alternate means for you to collect and transmit this data is provided in the "z/OS Planning for WLC" publication. Failure to submit TSAD may result in Programs being charged on a Full Capacity basis;

assign a person in your organization with authority to discuss and promptly resolve any questions on Sub-Capacity Reports or inconsistencies between Sub Capacity Report contents or current license entitlement and configuration data reported via the RSF; and

notify IBM if you elect to convert from Sub-Capacity Pricing to EWLC at Full Logical Model Capacity. During the period Sub-Capacity pricing remains in effect, and for six months thereafter, IBM has the right to review the system data used to prepare the Sub-Capacity Reports for the previous six months. The review will be on your premises, at our mutual convenience, during your normal business hours and in a manner that minimizes disruption to your business. IBM

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may use an independent auditor for this with your prior approval which you will not unreasonably withhold. If you wish the review to occur off your premises, you may send the system data to IBM.

GOTC Charges (Graduated One-Time Charges)

Programs for which you have paid GOTC may be moved to a z800

Upgrade charges will apply if the z800 "Default Model Group" specified in the Appendix or the zSeries Software Pricing Website is higher than the current GOTC entitlement. Refunds do not apply if the z800 Default Model Group is lower.

Contact IBM for special pricing if the GOTC license is being moved to a z800 whose applicable default charge is based on MSUs rather than a specific Default Model Group.

4. Additional License Terms for z/OS.e

1. You may run z/OS.e only on z800s.

2. You must run z/OS.e in Logical Partition ("LPAR") that has "z/OSE" as the first four characters of the LPAR name.

3. You must execute z/OS.e in z/Architecture (64-bit) mode.

4. You must order and license z/OS.e for the number of engines in the Logical Model in which you will run z/OS.e, or alternatively, z/OS.e may be ordered with EWLC charges.

5. You may use only the levels of Language Environment (LE), JES2 and JES3 that are delivered with z/OS.e.

6. You may not run any of the following z/OS.e base elements, optional features, or functions:

BookManager READ

BookManager BUILD feature

GDDM

GDDM-PGF feature

GDDM-REXX feature

DCE Application Support

LANRES

Bulk Data Transfer (BDT) File-to-File feature

Language Environment's use of Run-time Library Services (RTLS)

Language Environment Routine Retention (LRR)

Language Environment Compatibility Preinitialization for C and PL/I

Encina Toolkit Executive

MICR/OCR

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Communications Server Network Print Facility (NPF) feature

7. You may not run any of the following under z OS.e:

   CICS, IMS, FORTRAN, or COBOL applications. However, you may run precompiled COBOL DB2 stored procedures and other precompiled COBOL applications using the Language Environment preinitialization interface (CEEPIPI). You may also use DB2, CICS and IMS Connectors to access existing z OS or OS 390 systems or an application server on Linux for zSeries. Hipersockets may be used as long s they access LPARs or IFLs on the same z800.

   COBOL, FORTRAN, PL I or Visual Age PL I compilers. However, you may execute precompiled PL I and Visual Age PL I applications.

   DB2 QMF Host feature, DB2 QMF HPO feature.

   You may not have more than eight concurrent TSO users under z OS.e.

   You may not run any operating system other than z OS.e, z VM V4 and LINUX in the z OS.e Logical Model. Such operating systems include, for example, z OS, OS 390, MVS, VM (prior to z VM V4), VSE, TPF, etc.

   You agree to configure your z800 to send Transmit System Availability Data ("TSAD") to IBM weekly via the Remote Support Facility ("RSF"). This enables IBM to verify that your z OS.e license matches your actual z800 configuration. An alternate means for you to collect and transmit this data is provided in the "Hardware Management Console Operations Guide" publication.

Programs that run on an IFL

Programs that run on an IFL engine may be licensed under the terms of the agreement provided with them.

Charges for Programs that IBM has announced as eligible to run on IFL engines are based on the total number of IFL engines installed on the z800.

If a Program runs on the IFL engine(s) and on the engine(s) of one or both of the Logical Models, the charges are based on the total of the IFL engines and the engines in the Logical Models where the Program runs.

6. Additional WLC Transition Program Terms for z800s

   Parallel Sysplex Transition Program
   A z800 is eligible for an existing WLC Transition Program - Parallel Sysplex only when the Transition Program includes an IBM zSeries 900 Machine with WLC charges.

Review the prerequisite for WLC Transition Program - Parallel Sysplex terms.

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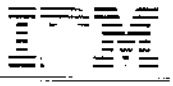

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